

Purchasing Week

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\$6 A YEAR U.S. \$25 A YEAR FOREIGN



ELMER TANGERMAN, pointing, asks for details of Russian machine tool. Interpreter, center, makes the language switch from English to Russian.

Soviets Make Good Propaganda Use Of Exhibition at N.Y.'s Coliseum

BY ELMER J. TANGERMAN
Editor, Product Engineering

New York—Soviet flair for the dramatic and solid propaganda sense—if often over-emphasized—show themselves again at the U.S.S.R. Exhibition at the Coliseum here. It opened last week and will continue through Aug. 10. Here is Brussels all over again, but less blatantly commercial and generally broader in scope. (While there are things here to be bought, they are not priced publicly, nor will they be sold from the floor. Potential purchasers are referred to normal Soviet outlets in this country.)

There are some 10,000 exhibits, but they cover the entire Soviet economy, with emphasis on the cultural aspects. As would be true of any such show by any country, some of the exhibits show the ideal rather than the actual—the model apartment, the clothes, the foodstuffs are all superior to the present Soviet standard. But improvements over even a year ago are in evidence in many exhibits, refinements of last-year's prototypes or Brussels working models.

Elmer T. Tangerman is unusually well qualified to review the Soviet exhibit.

Last year he toured Russia and the European continent. In Russia, he evaluated and reported on that vast country's industries and technical achievements. While in Europe he visited the World's Fair in Brussels.

There he had an opportunity to compare the Soviet public exhibit with what he had seen in his travels through Russia.

It is because of this background that Purchasing Week asked him to write the accompanying report.

Generally speaking, the second floor (on the first is a fashion show) is industrial, divided into six major areas: industry and agriculture, science and technology, radio and electronics, atomic energy, optics, and transport.

Translated into equipment, that means a half-dozen work-

Proposed Price Bills Still in Hearing Stage As Congress Closing

Washington—Congress this year has had its hands full dealing with various proposed pricing measures that in one aspect or another would trim the rights of business around the country to set prices freely.

A mid-year review of the pending bills showed all still are in the hearing stages as of this week with probably none destined to become law.

The latest legislation on which hearings began would require mandatory functional discounts to wholesalers. This legislation probably never will get anywhere. It is opposed by major business and manufacturing groups.

Interested government agencies

(Turn to page 6, column 1)

Late Bulletin

R.R. Express Approves Reorganization Plan

New York—Directors of Railway Express Agency have approved a reorganization plan designed to put the express operation on a profit-making basis and keep it under railroad ownership for another 15 years.

The plan, adopted late last Thursday, would give rail carriers complete freedom in routing line haul express traffic. This was expected to provide faster and more dependable service for shippers using the small package service.

Grand Jury Probing Identical Bids In Electrical Equipment Industry

Pallet Makers Seek Markets

San Francisco—Wooden pallet manufacturers have mapped an elaborate campaign to develop wider markets, establish stricter quality standards, and make every industrial purchasing executive a "pallet expert."

Members of the National Wooden Pallet Manufacturers Association devoted a major portion of their annual meeting here last week to detailing a four-point program designed to assist pallet purchasers in determining their quality needs and specifications and establishing new buying assistance services. More than 40 million wooden pallets a year are sold in the United States.

(Turn to page 30, column 4)

Attention First Focused on Same Bids by T.V.A. Two Months Ago; but Complaints Were Received From Governmental Agencies for 'Many Years'

Philadelphia—The U.S. Department of Justice has ordered major electrical equipment manufacturers before a federal grand jury to explain identical bidding in their industry. Most of the big manufacturers already have received subpoenas to appear at hearings starting in Philadelphia July 15.

The Tennessee Valley Authority focused attention on identical bidding when it complained two months ago that it had received identical bids on numerous items "for many years." But anti-trust attorney William Maher, who is heading the nationwide inquiry, told PURCHASING WEEK:

"We have been building this case on complaints from many governmental agencies—federal, state, and local—and also industrial firms that bid on electrical equipment. The T.V.A. charge was merely the proverbial straw."

The information to be turned (Turn to page 30, column 1)

New Pricing List For Copper Mills

New York—Copper and brass rolling mills are making major revisions in their complicated schedule of extra charges.

The new pricing lists are expected to result in substantial customer savings on wide rolled strip—8 to 25 in. wide—and slight increases in narrower widths.

Revere Copper & Brass, which inaugurated the changes last week, delayed putting the new catalog extras into effect until Aug. 15, to give customers time to adjust to them. In the meantime, a company spokesman said, Revere customers can buy at either the old or the new schedules, whichever is lower.

Other producers were quick to follow Revere's lead. An executive for Chase Brass & Copper, Waterbury, Conn., said his firm "will meet competitive prices on brass and copper sheet and strip where prices are lower than existing prices."

While he wouldn't discuss the (Turn to page 29, column 4)

This Week's

Purchasing Perspective

JULY 6-12

Despite the still-standing comfortable prediction that industrial price levels are due for only an average 2% rise over the next six months, it is hard to ignore warnings of substantial price dangers in specific industries.

One of the most formidable is the follow-the-leader psychology which has exerted so much pressure on the current steel negotiations. Another is the fact that some industries are aching for a price rise regardless of what happens in the steel contract aftermath. In fact, you can safely bet a purchasing handbook that some manufacturers would use a steel increase—if there is one—as an excuse to invoke even higher boosts to recoup from the price-shaving competitive pressures of the past year.

• • •

Some metal stampers, to cite examples, are frank to admit they would welcome an excuse to up prices, perhaps as much as 2% over any wage settlement. They contend they are boxed in now "by our highly competitive market."

A Georgia supplier of high-voltage equipment for the power industry spoke similarly to PURCHASING WEEK: "We need a price rise now, but competition won't allow it." A company spokesman said last week his firm probably could hold the line into (Turn to page 29, column 1)

Communist 'Salesmen' Huckster Red Goods To U.S. Businessmen

New York—The Soviet Union opened a 42-day scientific and cultural spectacular here last week and Communist "salesmen" immediately began to huckster many of its bright and shiny products among U.S. businessmen.

Hundreds of American business and industrial officials were invited to attend a specially-scheduled "trade-day" tomorrow. This will be a two-hour period during which they will be free to roam and discuss buying and selling possibilities with Russian trade and commerce representatives before the glittering exhibit opens its door to the public.

It remains to be seen how (Turn to page 30, column 3)

Chance Vought Gives Star Buyers Recognition in Cost Cut Program

Late Bulletin

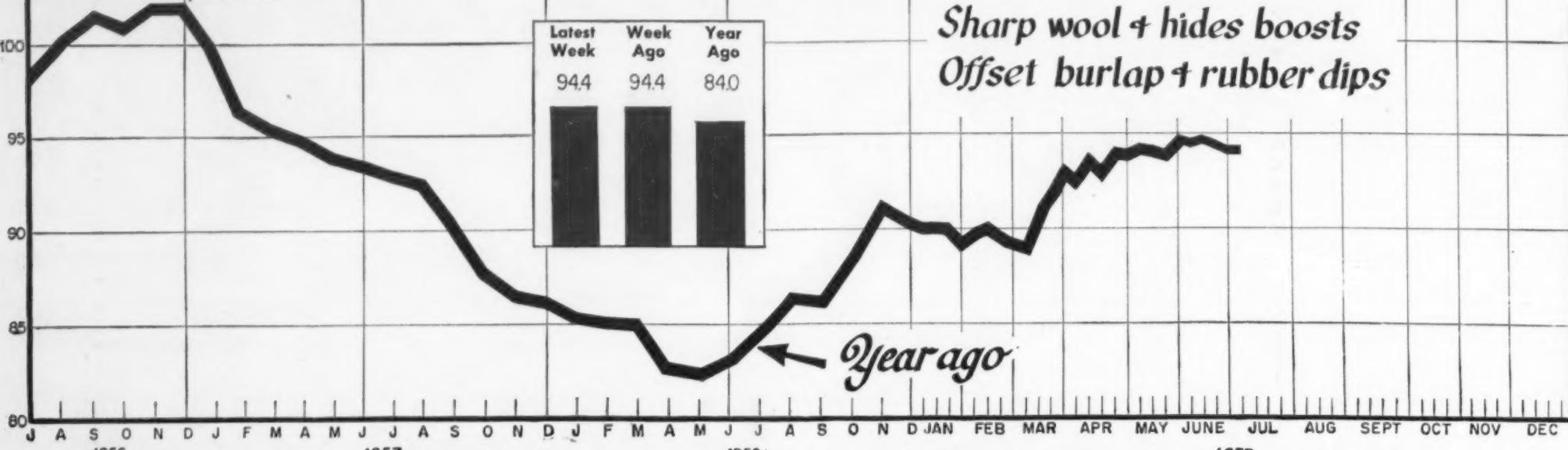
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Purchasing Week Industrial Materials Price Barometer

(Based on 17 Basic Materials)
January 1957=100



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's Commodity Prices

METALS

	July 1	June 24	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	40.00	36.00	35.50	+12.7
Steel scrap, #1 heavy, del. Cleve., gross ton	36.00	36.00	33.00	+ 9.1
Steel scrap, #1 heavy, del. Chicago, gross ton	36.00	35.00	35.50	+ 1.4
Aluminum, pig, lb	.247	.247	.24	+ 2.9
Secondary aluminum, #380 lb	.236	.229	.212	+11.3
Copper, electrolytic, wire bars, refinery, lb	.311	.311	.252	+23.4
Copper scrap, #2, smelters price, lb	.24	.243	.205	+17.1
Lead, common, N.Y., lb	.12	.12	.11	+ 9.1
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.031	1.034	.944	+ 9.2
Zinc, Prime West, East St. Louis, lb	.11	.11	.10	+10.0

FUELS

	July 1	June 24	Year Ago	% Yrly Change
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	-11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.57	- 7.8
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.50	-14.0
LP-Gas, Propane, Okla. tank car, gal	.04	.04	.04	0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.115	.115	.125	- 8.0
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.12	.115	.115	+ 4.3
Coal, bituminous, slack, ton	5.25	5.25	5.75	- 8.7
Coke, Connellsville, furnace, ton	15.00	15.00	15.25	- 1.6

CHEMICALS

	July 1	June 24	Year Ago	% Yrly Change
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y., lb	.206	.21	.148	+39.2
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.16	.16	.173	- 7.5
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y., cwt	9.85	9.85	9.70	+ 1.5
Shellac, T.N., N.Y., lb	.30	.30	.31	- 3.2
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y., lb	.074	.074	.081	- 8.7
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

	July 1	June 24	Year Ago	% Yrly Change
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	25.20	25.20	24.00	+ 4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.00	0
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	17.00	+23.5

BUILDING MATERIALS

	July 1	June 24	Year Ago	% Yrly Change
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.25	4.25	4.26	- .2
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.00	+12.9
Southern pine lumber, 2x4, 4x4, trucklots, fob N.Y., mftbm	131.00	131.00	116.00	+12.9
Douglas fir lumber, 2x4, 4x4, carlots, fob Chicago, mftbm	142.00	143.00	117.00	+21.4

TEXTILES

	July 1	June 24	Year Ago	% Yrly Change
Burlap, 10 oz, 40", N.Y., yd	.10	.102	.104	- 4.0
Cotton, middling, 1", N.Y., lb	.355	.36	.365	- 2.7
Printclot, 39", 80x80, N.Y., spot, yd	.195	.195	.174	+12.1
Rayon twill, 40½", 92 x 62, yd., N.Y.	.26	.255	.22	+18.2
Wool tops, N.Y., lb	1.625	1.58	1.49	+ 9.1

HIDES AND RUBBER

	July 1	June 24	Year Ago	% Yrly Change
Hides, cow, light native, packers, Chicago, lb.	.29	.285	.152	+90.8
Rubber, #1 std ribbed smoked sheets, N.Y., lb	.335	.338	.266	+25.9

Sharp wool & hides boosts
Offset burlap & rubber dips

This Week's

Price Perspective

JULY 6-12

The 2nd half of '59 is starting off with several big questionmarks.

How they're resolved can have important repercussions on both your day-to-day operations and your over-all near-term purchasing policies.

These three are the ones most mentioned by purchasing executives:

• **Labor**—This of course is spearheaded by current steel negotiations and the fears of strikes and price boosts. But it spills over into many other industries where basically the same questions are being asked.

• **Inflation**—This of course is intimately related to the problem of wage costs. But it's further complicated by a host of other causes such as raw material costs, government spending, credit control, etc.

• **Inventories**—Most businessmen now doubt that the current rate of stock accumulation will continue. The big question here is how much of a slackening in the rate of inventory growth can we expect.

Our answers to the first two questions would certainly have to be a lot more optimistic than, say, 2 or 3 months ago.

Take steel. In early spring, a long drawn out strike seemed almost inevitable. But that's hardly the picture today. Both labor and management have shown increasing signs of moderation.

The fact that the steel workers agreed to a 2-week delay is a definite sign that labor is none too eager for a strike.

And what happens in steel will be reflected in copper, aluminum, and a host of other commodities that are marking time now—waiting to see which way the "steel" winds blow.

This indication of moderation in labor demands is bound to have a dampening effect on any general inflationary push.

So is the promise of a balanced budget and tight credit controls.

By fall, for example, the economy will be switching over from a basically inflationary deficit financing position to a position of rough budget balance. And all signs indicate this will be accompanied by a continued tight money policy.

Another anti-inflationary sign: the recent weakness in many key raw materials.

The fact that copper, rubber, and lumber all have dipped in recent weeks can't be underestimated.

It's still another indication that strong, across-the-board upward price pressure still is missing.

With these factors operating, it's hard to see anything more than, say, a 2% price rise in the general industrial price level by year-end.

The question of inventory trends is a bit more ticklish.

On the one hand, strike or no strike, some inventory declines in basic metals are likely in the summer and early fall. Even with a peaceful settlement, you may want to reappraise your inventory situation in light of plentiful and reliable metal supplies.

On the other hand, business will continue to rise—requiring more and more stock just to maintain a constant day's supply.

Machine Tool Orders Up but Shipments Lag

Cleveland—Purchasing agents have been ordering new machine tools at a pace sharply above 1958 so far this year. Attractive prices, plus management's current cost-cutting drive should keep this buying strong through the remainder of the year.

The sharp decline in new orders during last year's recession has kept shipments of machine tools so far this year at depressed levels (see chart at right). Present indications are that total first-half shipments will lag more than 18% behind the 1958 level.

The new orders picture however, foretells a sharp improvement in shipments during the second half of 1959. Bookings through May were some 62% above the year-ago figure with the May total outpacing the 1958 level for that month by over 71%. This could mean that total 1959 shipments of machine tools will pass the year-ago figure by close to 10%.

Pricewise, tags of both standard and special-type machine tools have been under pressure. The reason is twofold:

- During the recent shipment lag, most firms continued to produce normal amounts of standard tools. This caused stocks to become quite heavy and led to discounting on the part of producers. Builders of special tools, meanwhile, were bidding against each other in an effort to get the biggest share of the available business.

- Foreign producers, who have been sending increased amounts of machine tools to the U.S., have been able to undercut domestic prices on standard tools by over 25% in some cases. This naturally has had the effect of keeping all prices at minimum levels.

The importation of foreign tools has presented a major problem to the domestic industry. European producers have cut into both the domestic and foreign markets of U.S. tool builders. U.S. shipments abroad in the first half of the year will be over 6% below the 1958 level (see chart above). And little improvement in this year-to-year decline is expected in the second half.

The trend toward reduced overseas demand for U.S. machine tools has become quite clear. During the recent boom, when domestic new orders for tools were swinging up sharply, foreign orders continued to remain at depressed levels. For the first five months of the year, new orders from abroad were less than 10% above the 1958 level, foretelling a continued lag in overseas shipments of U.S. machine tools.

On the other side of the coin, foreign tool imports into this country are on the increase. They are now estimated at close to 5% of the U.S. market, up from 3.5% in 1957. Most of these tools are general-purpose, standard tools, such as radial drills and lathes. When it comes to special, automated, and highly engineered machines, European manufacturers have so far provided little competition for American firms.

This increasing competition from foreign manufacturers has caused a number of specific re-

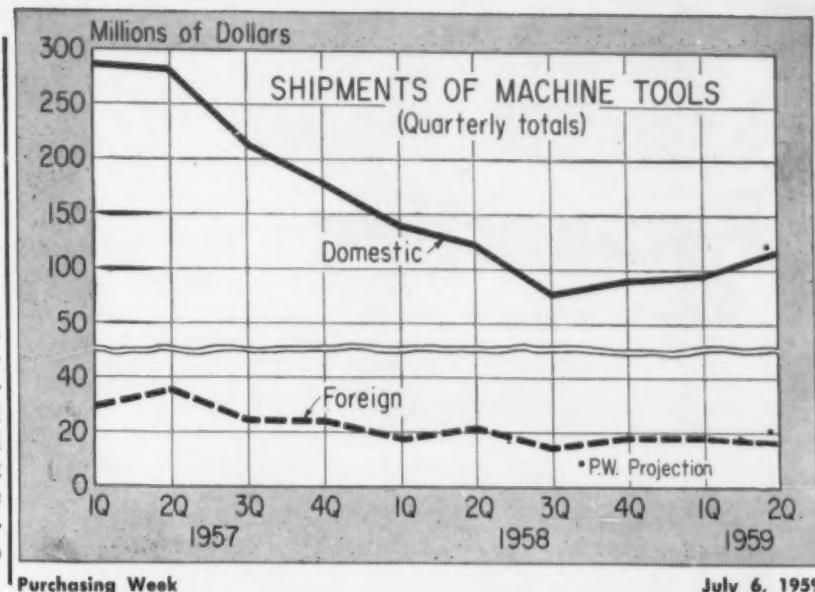
actions on the part of U.S. producers. And some of them will prove to be of benefit to purchasing executives here:

- Productionwise, domestic tool manufacturers are currently carrying out extensive cost-cutting programs in order to meet lower tags on imported tools. Machines are being redesigned for greater simplicity and customer appeal while costs are being cut through the standardization of many parts.

- U.S. tool makers are setting

up subsidiaries abroad in order to compete in foreign markets. At present however, there are no plans to bring such "captive" foreign-made tools into the domestic market.

The industry also is expected to take its case before the government. Both the Defense Department and the Office of Civil Defense and Mobilization will probably be advised of the effect the foreign competition may have on domestic machine tools' productive capacity in the years to come.



July 6, 1959

of the four major brands of lamps

CHAMPION stands out for **VALUE**

The last analysis... the cost of light... is the first concern of Champion... where no lamp leaves unless it meets the highest value standards in the industry.

Champion Lamp Works, Lynn, Mass.

Incandescent Fluorescent

Your best buy in lamps

Washington Perspective

JULY 6-12

The idea crops up again and again: Government should be equally concerned with the wages Americans earn and the prices they pay as it is with full employment.

Last week, the Cabinet Committee on Price Stability for Economic Growth recommended such a policy statement become law. Last January, President Eisenhower proposed that the Employment Act of 1946 be amended to make price-wage stability a government goal.

But in Congress, not too much has been done about it. Lethargy is a culprit; but there are material objections as well.

A bill sponsored by Rep. Henry S. Reuss (D., Wis.) is awaiting clearance for floor action. It would write price stability into the act as a specific goal. But it has added another goal that would make it clear that price stability was not to be obtained at the price of economic growth: the goal of maximum production.

The bill also tagged on a favorite proposal of the Democrats who blame inflation partly on "administered prices": Reuss would require public fact-finding hearings before any inflationary price or wage hikes in the concentrated industries.

Both these approaches, however, are opposed by Sen. Paul Douglas, chairman of the Joint Economic Committee. He fears that offering one amendment to the Employment Act would open it up to a host of other amendments that would destroy its basic purpose. Moreover, Douglas believes, Congress should wait until the joint committee completes its big \$200,000 study of the American economy and makes its recommendations next January.

The cabinet committee headed by Vice President Nixon made two other recommendations for immediate action to hold inflationary forces in check while longer range attacks are being worked out.

These are: 1. Hold down spending so the public debt can be reduced; 2. Remove interest ceilings on government securities so the Treasury can sell long-term bonds in the present market.

• • •

President Eisenhower has talked all along about his firm policy of keeping his hands off collective bargaining except where a national emergency is involved.

But the Administration's keen interest in the outcome of the steel negotiations is such that there was no hesitation in going along with Steel Union President Dave McDonald's suggestion that the White House take a hand in postponing the strike deadline to July 14.

Secretary of Labor P. Mitchell, who has kept in close touch with day-by-day developments, was the key man in the staging of the exchange of letters—the wording and timing of which are, of course, worked out to the last comma ahead of time.

Vice President Nixon and Gerald D. Morgan, counsel to the President, also had a hand in the negotiations and in the actual drafting of the correspondence.

• • •

Steel company negotiators heeded the presidential "plea" although they had made no secret of their preference for keeping the bargaining free of government interference—or interference from any third party.

The experts figure the Steelworkers benefited most from the strike deadline postponement. After all, it was McDonald who initiated the play that brought the President into the situation.

• • •

The companies held the upper hand because they figure they can't lose by taking a tough stand on wage increases. They feel a tough bargaining stand gives them their best chance for 1. A small increase that they may be able to absorb or 2. Passing along the increased costs in prices if the Steelworkers finally do go on strike.

• • •

The Administration's men see the situation this way—and they're willing to do what they can to help along a settlement that won't result in either a strike or a price increase.

• • •

As for a wage increase, the Administration and other Washington officials believe a modest one within the limits of the industry productivity increase would be tolerable.

The cost-of-living index will hold steady through the rest of the year while business continues on the upswing. So says the government man in charge of the index—Ewan Clague, commissioner of the Bureau of Labor Statistics.

Lower food prices will be offset by rising costs of services for the months ahead. But Clague expects prices to climb again when production begins to hit new peaks beginning sometime next year.

Average Earnings for Purchasing Department Occupations in Manufacturing

Occupation and sex	Detroit 1-59	Los Angeles- Long Beach 3-59	Minneapolis- St. Paul 1-59	New Orleans 2-59	San Francisco- Oakland 1-59
Office clerical (women)					
Clerks, file (class A).....	\$82.50 *	\$81.00	\$59.00	\$59.00 *	\$80.50
Office girls.....	70.50	62.50	46.00	40.50 *	64.50
Secretaries.....	101.50	91.50	78.00	80.50	93.00
Stenographers, general.....	89.50	82.00	64.50	66.50	82.50
Typists (class A).....	87.00	78.50	60.00	67.50	82.50
Plant jobs (men)					
Laborers, material handling.....	2.30	2.15	2.07	1.45	2.30
Order fillers.....	2.37	2.09	2.05	1.30	2.42
Receiving clerks.....	2.39	2.32	2.23	1.89	2.48
Forklift operators.....	2.36	2.30	2.18	1.94	2.42
Truckers, power (other than forklift).....	2.47 *	2.22	2.23	1.70 *	—

* All-industry average.

† Average salaries paid for standard workweek.

‡ Excludes premium pay for overtime and for work on weekends, holidays, and late shifts.

The above table, which lists the latest wage rates in purchasing department occupations in five metropolitan areas, shows some interesting developments. As reported by the Division of Wages and Industrial Relations of the U. S. Department of Labor, the figures indicate that average clerical pay

boosts in certain cities have dipped. Boosts over the year-ago level for women's occupations above were only 1.1% in the New Orleans and 3.1% in the Minneapolis-St. Paul area. Minimum plant job hike for year was 4.2% in Los Angeles and Long Beach, while boost in San Francisco-Oakland area was 7%.

Commerce Survey Indicates Inventories Up

Washington — Manufacturers' sales and inventories continue to show healthy gains, according to a new Commerce Department Survey. The report, however, shows a dip in new orders. But a good bit of that is due to the tapering off in earlier hedge ordering—particularly for steel products.

Latest inventory figures (as of the end of May) show factory inventories up to \$51.5 billion, \$400 million above the end of April. Moreover it marks the fifth straight month of rise.

This latest monthly boost was due primarily to hard goods—where substantial accumulation by the machinery and transportation equipment companies was only partially offset by the drawing down of stocks held by primary metal producers. The increase in non-durables occurred chiefly in the food-beverage and chemical groups.

The rise in sales was less spectacular. The \$200 million increase was entirely due to hard goods which reached \$30.5 billion on a seasonally adjusted annual rate.

Comparison with year ago sales figures, however, points up the extent of the recovery in this vital area. Factory sales in May were a healthy 21% above year ago.

If you look at hard goods

Factory Sales, Stocks and Orders

(Seasonally adjusted—billions of dollars)

	May 1959	April 1959	May 1958
Sales	\$30.5	\$30.3	\$25.2
Hard goods	15.4	15.2	11.6
Soft goods	15.1	15.1	13.6
Stocks	51.5	51.1	50.9
Hard goods	29.7	29.4	29.0
Soft goods	21.8	21.7	21.9
Orders	30.3	31.2	25.0
Hard goods	15.1	15.8	11.4
Soft goods	15.2	15.4	13.6

alone, the recovery is even more dramatic. The seasonally adjusted May sale figure (\$15.4 billion) was a sharp 33% over last May's levels.

Though new orders dipped in May, the year-to-year gains point

to the still strong position of this key economic indicator. Latest level for all manufacturers showed them some 21% above '58 levels.

The table above gives all the details.

Ike Considering Interior Proposal to Tighten Current Import Quotas on Lead, Zinc Ores

Washington—The Administration was giving serious consideration last week to a proposal by the Interior Department to tighten up current import quotas on lead and zinc ores and concentrates and extending the restrictions to cover manufactured metal products.

This has been a goal of Western mining-state congressmen and their producer constituents

even since the President first adopted the modified import quotas recommended by the Tariff Commission last year.

Interior Secretary Fred A. Seaton on several occasions has publicly announced Administration refusal to consider such a move. Now the Senate has a bill sponsored by 23 senators, including several presidential hopefuls, to impose per capita tariff boosts on the metals—a duty of 4¢ per lb. which would apply to lead when the domestic price fell below 15½¢ per lb., and on zinc below 13½¢. In addition, the House Interior Minerals Subcommittee is holding another investigation for government mining policy.

Senate strategists hoped by this means to force another Tariff Commission study which might result in tighter import bans which the White House could be persuaded to accept in an election year next session. But Interior Assistant Secretary Elmer Bennett, former senator from Utah and a mining-bloc spokesman on the Senate Interior Committee, is reportedly pressing for quicker action by the White House.

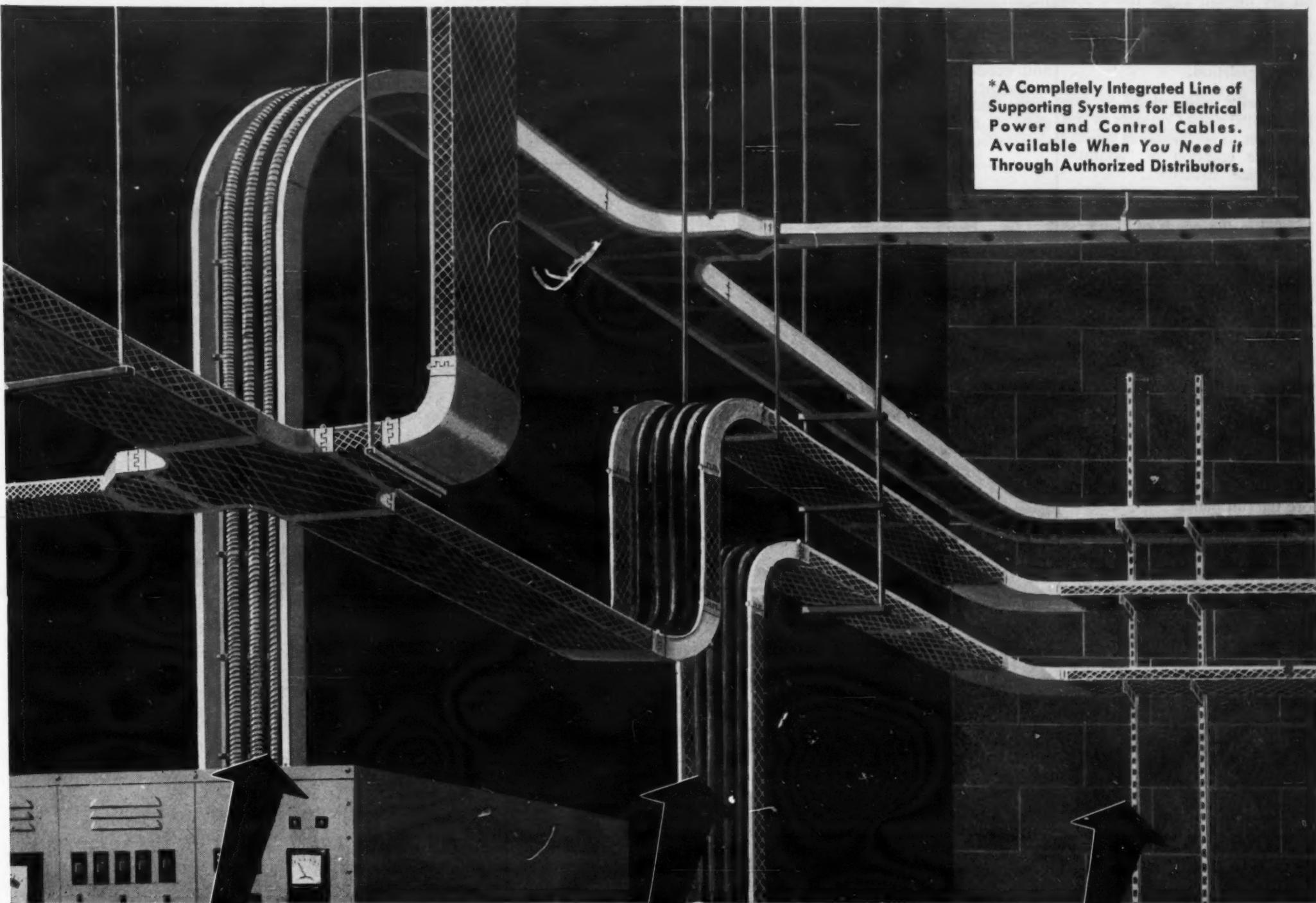
Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,405	2,481*	1,376
Autos, units	130,001	129,270*	92,277
Trucks, units	27,450	27,539*	16,736
Crude runs, thous bbl, daily aver	7,386	8,000	7,541
Distillate fuel oil, thous bbl	12,487	12,731	11,229
Residual fuel oil, thous bbl	6,786	6,310	6,625
Gasoline, thous bbl	28,682	28,584	27,061
Petroleum refineries operating rate, %	81.0	82.7	82.3
Container board, tons	164,094	175,432	131,951
Boxboard, tons	159,563	152,398	138,166
Paper operating rate, %	96.0	95.1*	89.2
Lumber, thous of board ft	262,930	261,127	241,456
Bituminous coal, daily aver thous tons	1,543	1,518*	1,486
Electric power, million kilowatt hours	13,749	13,331	11,757
Eng const awards, mil \$ Eng News-Rec	474.1	491.9	466.3

*Revised

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*A Completely Integrated Line of Supporting Systems for Electrical Power and Control Cables. Available When You Need it Through Authorized Distributors.

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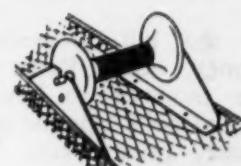
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Proposed Pricing Measures Still In the Hearing Stage in Congress

(Continued from page 1) also are unanimous in opposing the bill. Representatives of the Federal Trade Commission, Justice, and Commerce Departments all say the bill might boost consumer prices and would promote price-fixing violations.

Here's the prospects for other price legislation:

Pre-price notification—Scratch these bills also. Congress is not ready yet to go this far in dealing with the question of "administered price" industries.

However, the theory of administered prices was forcibly imbedded in the minds of Congress this year by such critics as Sen. Estes Kefauver (D., Tenn.). This whole topic is far from dead and will continue a live issue next year.

S. 11—This is a measure that has attracted a lot of attention but has made little mileage. Designed to further limit the rights of manufacturers to cut their prices where the effect would be to lower competition, it cleared Kefauver's Senate Judiciary Subcommittee but is now stalled before the full panel.

Fair trade—Chances are out for this year but it will be back next. It has some strong support. The bill would allow manufacturers to set the price at which their brand name products are sold at wholesale and retail.

Territorial security—This is another perennial but has been given a new twist by Sen. Mike Monroney (D., Okla.) that improves its chances somewhat for next year. It is designed to assure auto dealers exclusive regional markets by providing discounts on autos sold within a dealer's territory, and penalizing dealers who sell outside their territories.

In the area of pre-price notification, two alternative and controversial approaches developed as a result of year long national concern over wages and prices.

The most publicized of the two is the bill proposed by Sen. Joseph O'Mahoney (D., Wyo.) which was taken up by the Kefauver Antitrust Monopoly Subcommittee. The second is the Reuss-Clark Bill, which moved quickly through the House Government Operations Subcommittee.

Like the bill proposed by O'Mahoney, the Reuss-Clark measure proposes to have the government hold a public review of industry price hikes. Much more fundamental and far reaching in economic scope, this measure also proposes wage-review authority.

Neither approach would give the government power to revoke proposed price increases, but they would rely on moral persuasion backed by public opinion for industry to temper price increases.

Whereas O'Mahoney would have the Federal Trade Commission hold the public hearings, Sen. Joseph Clark (D., Pa.) and Rep. Henry Reuss (D., Wis.) would hand this function to the President's Council of Economic Advisors, thus moving wage-price review into the White House.

Unlike the O'Mahoney meas-

ure which confines itself strictly to price hearings, Reuss and Clark have proposed a package approach concerning both economic growth and price stability. In effect the bill would seem to assign the Council of Economic Advisors the totally new function of setting forth a suitable national and economic production goals each year, a practice common to many industries but of which there is no counterpart now in the United States.

Convair Expanding Buyer Training Program

Ft. Worth—A buyer training program at the Convair Division of General Dynamics Corp. will be expanded to cover all material department levels and functions. Material manager S. E. G. Hillman said the success of the early program prompted the decision to enlarge it.

Covering topics of both direct and indirect interest to purchasing, the special buyer and follow-up classes deal with such subjects as procurement procedures, cost-reimbursement-type purchase orders, fixed-price purchase orders, and purchase order

termination. Classes are under direction of Charles E. Schuler, general purchasing agent, and Tom Walthall, outside production manager.

"Our main theme is better procurement for less money, and we concentrate on methods of cost reduction," Schuler points out. "However, we also take up the latest developments in materials, methods, and regulations, to keep material procurement and control people abreast of the latest techniques and practices."

"Buyers are invited to suggest topics for discussion, and if they

involve another department, we get someone from that department to talk to them."

Job know-how development courses are traditional at Convair-Fort Worth. About 125 department supervisors, buyers, and follow-up men taking such training meet for one hour on alternate Fridays.

Material department people take not only buyer and follow-up courses but also short "package" courses on industrial economics, work simplification, leadership training, and writing for easy reading.

zero plus

**... and Carlson
special stainless steels
withstand the extremes
of another launching**

WHEN this missile "lifts off," Carlson special stainless steel plates help launch it into space. These plates are the high strength, precipitation-hardening grades. And there are sound reasons why these grades are used.

First, with Armco 17-4PH, 17-7PH and PH15-7 Mo* it is easier to attain the high physical properties and resistance to elevated temperatures required in space flight engineering. Simplified low temperature heat treatment will develop a Rockwell hardness of C40 to C50. Tensile strengths, so vital in missile components, range from 180,000 to 220,000 psi in plates.

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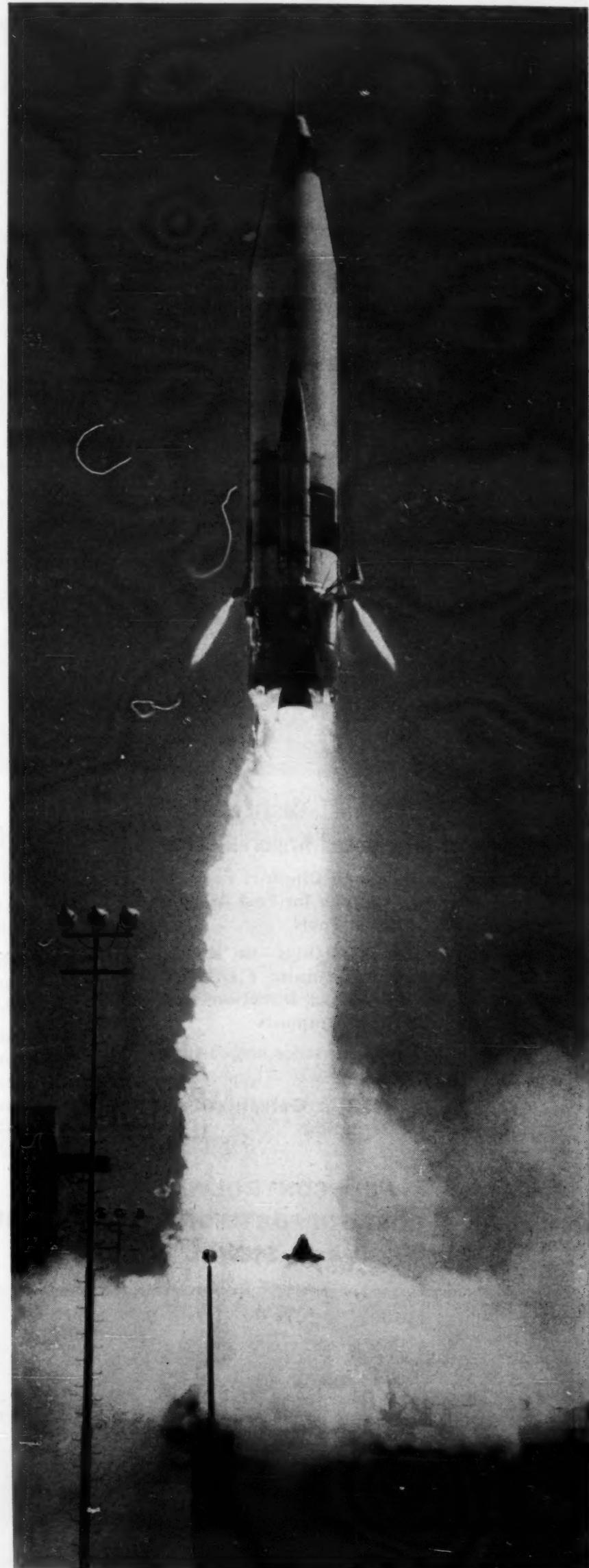
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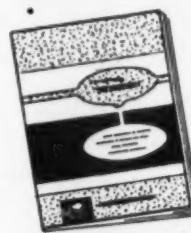
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Upon receipt of a drawing or sample of your part, Arwood will give you a prompt, honest appraisal, spelling out exactly what we propose to furnish. We will also suggest minor design changes that may save you money without affecting the part's performance.

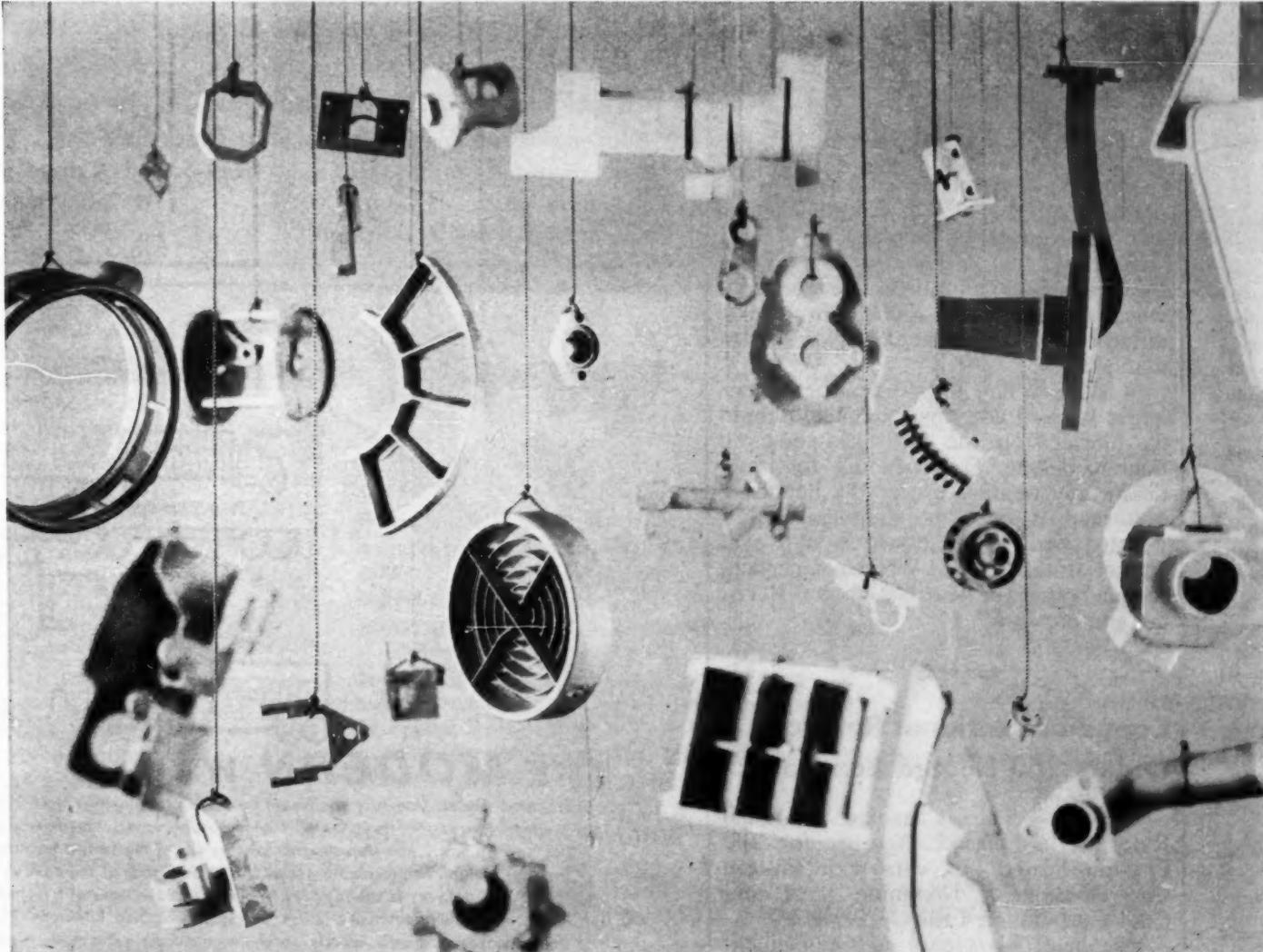
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Arwood's four fully-equipped production plants and well-staffed tool rooms are geared to give fast service. Each job is individually scheduled to assure you of delivery of finished castings in the shortest time possible.

Large and small companies come to Arwood for quotations at the rate of fifty a day . . . without obligation. Why not let us help *you* evaluate the potential savings you may realize by making your part an Arwood investment casting?



Write today for your free copy of the new 44-page Arwood Manual of Investment Casting. Provides all the information you need to evaluate the technique and use it to help solve your design problems.



This assortment of castings represents about half the number of new parts that go into production at Arwood's four plants in a typical week.

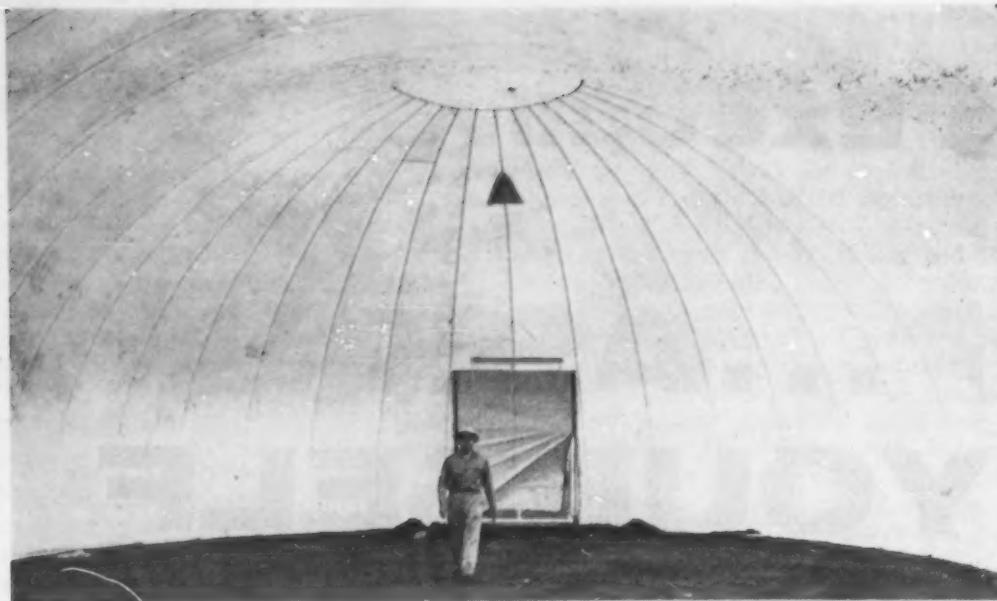
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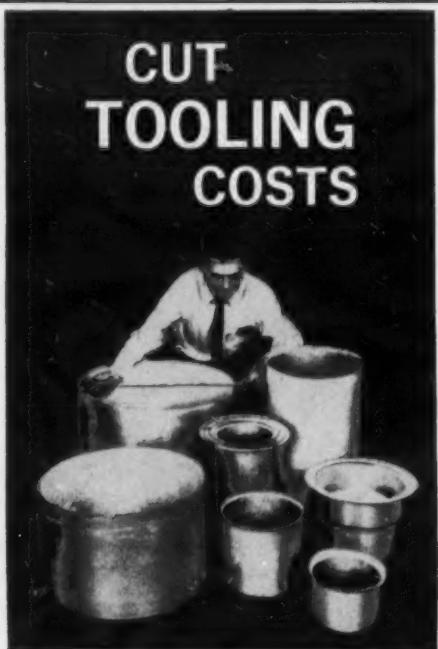
A complete service from design through tooling, production and finish machining. Sixty-two engineering consultants from coast to coast.





THIS INFLATABLE 'AIRHOUSE' will be used by Esso to protect materials normally stored out of doors, such as drums of lubricating oil. It can be erected on any open space.

Inflatable 'Air House' for Short-Term Storage



CUT TOOLING COSTS

Let Us Supply Your Drawn Aluminum Shells
Alcoa's Jobbing Division is already tooled up to supply drawn aluminum shells. They are available on quotation in various wall thicknesses and alloys, in heights up to 23 in., and with diameters up to 48 in. And this is where you can save important money on production and avoid expensive tool and die installations. When you turn the complete job over to Alcoa, it is started sooner and completed faster. You eliminate costly overtime and production headaches. And best of all, you can rely on Alcoa's years of experience for quality work with aluminum.

FREE TO MANUFACTURERS: Descriptive booklet. In addition to such "standard" items as drawn aluminum shells, Alcoa's Jobbing Division has the world's finest fabricating facilities for subcontracting to your order aluminum components for anything you make. A 16-page, free booklet describes how these facilities can save tooling costs, lighten your production load and generally cost you less than if you shouldered the whole job yourself. For your copy, write or mail the coupon.

Your Guide to the Best in Aluminum Value



For Exciting Drama Watch
"Alcoa Theatre," Alternate
Mondays, NBC-TV, and
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Balloon Type Storage Unit Has Many Possibilities

Bayonne, N. J.—A new type of storage-unit, an "air house" inflatable in five minutes, will be tried out by the Esso Standard Oil Co. refinery here.

The easily movable balloon-like structure, made of fire resistant synthetic fiber coated with plastic, can be used on almost any open space. Esso will use it to protect materials normally stored out of doors.

Accommodates 900 Drums

The company plans short-term storage of lubricating oil. The air house will accommodate 900 drums.

Esso's decision in Bayonne indicated other practical everyday uses of inflatable buildings for American industry.

Inflatable buildings previously have been used mainly in farm experiments as chicken houses and cattle sheds although oil-exploration and drilling crews working in remote areas also have made use of the portable structures.

Air Pressure Replaces Columns

In Esso's air house, 3 lb. of air pressure per square foot replace columns, trusses, and beams. The unit has 3,000 sq. ft. of floor space, is 20 ft. high at its peak, and is 40 x 80 ft. long.

Entrance to the oblong building is through flap-type doors at either end, which will open at the touch of lift trucks. After a truck enters, the door closes automatically.

A low-pressure blower outside the air house keeps it constantly inflated. Should the blower stop, the unit takes about an hour to deflate. Stable enough for practically any weather except the hurricane or tornado variety, the air house can be deflated and lashed down should such violent storms occur. When not needed, the air house can be rolled up and stored for a future date.

Canadian National Railways Orders 200 Heated Box Cars

Montreal—The Canadian National Railways has placed an order for 200 fifty-ton heated box cars with Eastern Car Division of Dominion Steel and Coal Corporation Ltd.

The heated box cars will supplement the company's fleet of heated refrigerator cars in the movement of perishables and other goods which must be kept from freezing. The new cars will have a capacity nearly double that of standard refrigerator cars.

Prototypes of the heated box car were rigidly tested last winter. It was found that a constant interior temperature of 40° above zero could be maintained in weather as cold as 40° below.

Chance Vought Gives Star Buyers Special Recognition in New Cost Reduction Program

(Continued from page 1) announced recently with awards made retroactive to January, is under the direction of Materials Manager W. R. Kiefer and General Purchasing Agent B. A. Carlson. It works this way:

Each purchasing agent nominates one buyer to compete for top buyer of the month. Approximately 40 buyers are competing. The nominees' cost reduction performance is judged by a committee representing purchasing management, material cost control, procurement procedures and training, manufacturing, and value analysis.

Committee members meet by the third working day of each month to select a "Topper" for the previous month.

Winners to date have been: W. O. Smith, whose negotiations with a vendor in settling costs for engineering changes resulted in a 26% cost reduction and a saving of \$54,917.

W. H. Milliken, who suggested using a steel die forging in place of an aluminum one with net reduction of 90% in costs and a saving of \$87,128.

R. S. Souther, who negotiated changes in a purchasing item which resulted in a \$2,500 saving.

B. F. Reames, who won two monthly awards, saved the company \$1,716 in April by eliminating unnecessary cost in application of a new protective lacquer and special wash primer required by a procurement item. His award in May was for pursuing elimination of the retrofit portion of a vacuum cadmium plating of landing gear parts on all aircraft going through a modification program.

In the "Topper" symbol, the figure carries a piggy bank for savings and a magnifying glass for investigation.



CHANCE VOUGHT's General P.A., B. A. Carlson, seated left, with three top cost-cutting buyers: seated right, W. H. Milliken; standing left, W. O. Smith, and B. F. Reames. Men above were credited with cost-reductions which totaled over \$140,000.

Pennsy Starts New Through Freight Service For Cement

Philadelphia — Pennsylvania Railroad has inaugurated a new through freight train to expedite the movement of cement from the Lehigh district mills in Pennsylvania to consumers in northern New Jersey, metropolitan New York, Long Island, and New England.

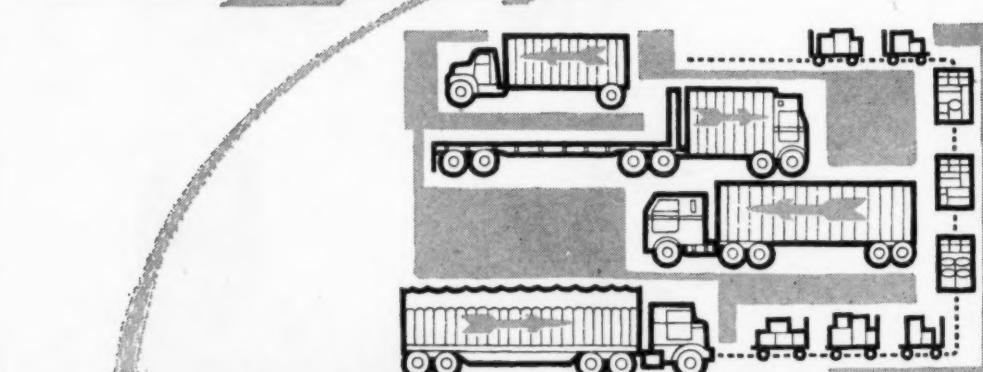
The new service will operate between Phillipsburg, N. J., and Jersey City, providing second day delivery to points on the Pennsylvania and connecting rail lines in the metropolitan area.

Monthly Trend in Freight*

(% Change from Corresponding Month of Previous Year)

Railroad Freight Car Loadings	+25.3
Trucking—Intercity Tonnage	+25.2
Air Freight and Express—Ton Miles	+26.8
†Waterways—Foreign Trade Ship Clearances	+12.8
*Latest month for Railroads is May; Trucks, April; Airlines, April; Waterways, February.	
†Purchasing Week Projection.	

Stay Ahead—Always Ship... RINGSBY ROCKET



THE MODERN WAY...

The most modern line-haul equipment on wheels travels over the 9000-mile Ringsby System. New, custom-designed 40-foot high-cube vans... versatile open top and flat bed trailers... non-stop sleeper tractors assure the fastest transportation for your freight. Shipments flow smoothly at both ends of the haul with Ringsby. Pickup and delivery is speeded by two-way radio—terminal freight handling is streamlined with automatic Towveyor equipment. Ship RINGSBY ROCKET... your freight moves constantly, quickly, safely, economically—the modern way!



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MAJOR TERMINALS	
Ludlow 5-7360	Central 1-3751
Humboldt 2-9350	St. Louis 2-9321
Acme 2-5761	Cheyenne 4-4481
Hunter 4-2730	Denver 2-1055
Exbrook 2-1055	Salt Lake City 2-1055
Olympic 4-1274	Los Angeles 2-3192
Angelos 2-3192	

Soviets Make Good Propaganda Use Of Exhibition at N.Y.'s Coliseum

(Continued from page 1) ing machine tools, some electrical instruments, optical instruments from cameras to microscopes, several automobiles, many models of larger projects, and some miscellaneous items.

Over all is the constant pressure on the advances of the past 40 years—in slogans, charts, statistics—punctuated with models of the sputnik nose cones and current transport aircraft as the central theme piece. Impressive it is, too—for the "kosmos," shining background for the Sputniks, arches 50 ft. into the air at the entrance.

Interesting—Not Different

Visiting purchasing men will see here much of interest but relatively little different. There are semi-conductors, synthetic, pulse analyzers, chain-reaction and fusion-control instruments, spectrographs, a range of optical glass, two millers under tape control (one closed loop, one open), a 23-kw. electrical-discharge machine, a lathe and a pinion cutter with automatic loading.

The machine tools provide some indication of the scope of the exhibition. Feeding and control devices are new, applied to standard production machine tools. Tape units are considerably simplified over those shown only last year, and feeding devices are as effective as current U. S. models. The electrical-discharge unit, most powerful we've seen, can remove 5,000 cu. m. of material a minute, but cannot be operated at such speeds at the show, because of the smoke generated from the electrolyte.

Third Floor Similar to Brussels

Third-floor exhibits deal with public education, public health, sports, construction, culture (meaning art of various kinds), and food and clothing. This is essentially similar to the mezzanine exhibits at Brussels, with stereo records added and souvenir and record sales subtracted.

Automobiles, clothing, machine tools and many other items are basically similar to our own—are in fact direct copies of American or West European products. They typify the Russian technique of copying where the prototype meets their needs. But the exhibit is impressive for what it doesn't show as much as for what it does. There is nothing here in rocketry or military aircraft, only a hint of nuclear developments, chemistry, physics, mathematics—the strong Soviet technological areas.

Exhibits will interest anyone personally, and serve to underscore the key fact that it isn't the current situation of the Soviet Union that is important but the

acceleration of its development that suggests the future. Here, only thinly veiled—and sometimes not veiled at all—is the evidence of what the U. S. S. R. is, and what it can be. It is obviously a rival; whether or not it is a threat depends on tomorrow. But the first step toward accurate and unbiased evaluation by American citizens is to learn what we can—and this is an unparalleled chance for many of us to do just that.

At Soviet Exhibition Joe Cohn, Purchasing Week Products Editor, left, and Elmer Tangerman, Product Engineering Chief Editor, right, probe Soviet technology with members of Russian Machine Tool Institute. Machines shown included two tape-controlled milling machines and an automatic loading-unloading gear cutter. English-Russian communications were solved by a translator (p 1.)



WHY DID THIS BOLT FALL OFF?

Where is the culprit . . . the nut whose function was to keep the bolt securely in place? Undoubtedly it fell off earlier . . . loosened by vibration . . . or unexpectedly high shock loads due, perhaps, to a careless operator. In any event, the bolt was pounded into uselessness . . . and failed. Chances are that the equipment the bolt and nut were part of is temporarily useless too.

Why then, was an inadequate fastener applied in the first place? Perhaps because "bolts and nuts" are often overlooked or specified routinely. Perhaps to save a fraction of a cent. Whatever the reason, the end result was inefficient and uneconomical. The nut failed—the fastening failed—and the product failed.

It could have been prevented. An Elastic Stop® nut would have held on. The small extra cost of the best self-locking nut would have solved this case . . . saved repair bills . . . downtime . . . and a manufacturer's reputation.

For detailed photos showing how some of America's foremost manufacturers of heavy equipment have insured critical bolted connections with Elastic Stop nuts on such units as rock drills, scrapers, snow plows, off-the-road trucks . . . write to ESNA. Or, for first hand proof, tell us the preferred size and we'll send you test samples. Address: Dept. S35-615, Elastic Stop Nut Corporation of America, 2330 Vauxhall Road, Union, New Jersey.



DOUBLE DEPENDABILITY

The dependability built into every Elastic Stop nut builds itself into the dependability of every product on which it is used.

ELASTIC STOP NUT CORPORATION OF AMERICA



Outdoor Light Tags Cut

Cleveland—Westinghouse Electric Co. credited improved production methods and new production equipment last week in announcing price reductions on its line of outdoor lighting units. Reductions ranging from 5 to 15% were posted on most of the firm's incandescent and mercury street lighting units and mercury ballasts.

Purchasing Week

330 West 42nd St., New York 36, N. Y.
McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 2, No. 27

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Purchasing Moves in One Direction—Up

Sometimes the obvious is the most easily overlooked. During the recent N.A.P.A. convention we chatted with a purchasing executive who commented along these lines:

"You hear a lot of talk about purchasing men taking on more responsibilities, but I've never seen any statistics as to just what changes are going on in purchasing. And I've heard some say this is a static field."

We puzzled over this for a day or two, wondering where we could find some fact-revealing figures and then came the light. Right here in PURCHASING WEEK we have a regular feature entitled "This Changing Purchasing Profession" (see page 25 of this issue). What, we asked ourselves, has this feature shown?

We made a quick analysis of 184 changes reported this year. Of these, we discovered:

114 were intra purchasing department promotions

29 were transfers out of purchasing

10 were transfers into purchasing

15 were promotions to purchasing vice presidencies

16 were transfers to purchasing posts in other companies.

Obviously no statistical record of 184 changes can prove anything conclusively but some interesting facts are revealed. For instance included in the 29 moves from purchasing into other operations, there were three men who were promoted to vice presidencies, two in charge of sales and the third in charge of manufacturing. Also in this group was one man who became a president, and two who became special assistants to presidents. Here then are six men who moved into top echelon posts in addition to the 15 men who became vice presidents in charge of purchasing. In other words—one out of every nine purchasing personnel changes put a purchasing man in a top post.

To some the figure of 29 moving from purchasing to another field might seem cause for alarm but when you study the posts being filled in addition to the six already mentioned, you quickly learn that purchasing's position is good. The former purchasing men now carry such titles as sales manager, business manager, production manager, division manager, marketing coordinator, and district manager. These certainly cannot be classified as unimportant posts.

You'll find another interesting angle in studying the background of the 10 men who came into purchasing from other fields. There were nine titles involved: divisional president, director of subsidiary, plant superintendent, controller, manufacturer's agent, office manager, production manager, quality control director, and sales manager.

It is interesting to note the fields from which purchasing men are being drawn but it is equally as interesting to note that they are high caliber men.

And for the man who is starting in at the bottom of the ladder, the reported record of 114 promotions certainly bodes well.

Yes, maybe 184 changes is not the last word in statistical records but it surely indicates purchasing is far from a static field and that the changes are in one direction—up.

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Albuquerque, N. M.

Welch Booklet in Demand

Montreal, Canada

I read with great interest the article on "Welch Explains Inventory Control" (June 22 '59, p. 7).

If possible, I would very much appreciate receiving a copy of the new booklet referred to.

A. R. Walter
Director of Purchasing
E. F. Walter Ltd.

Cambridge, Mass.

In a recent article, you mentioned that at the annual convention of the National Association of Purchasing Agents 2,500 booklets on inventory control and management were distributed by W. Evert Welch of Minneapolis-Honeywell Regulator Co.

It occurred to me you might have extra copies.

Pauline W. Smith
Purchasing Agent
Wheelock, Lovejoy & Co., Inc.

• For the information in the booklet, see page 16 of this issue ("Use These Nomographs to Help Solve Inventory Management Snags").

Question on Freight Costs

Chicago, Ill.

As a suggested question for your inquiring reporter column (PURCHASING WEEK Asks You . . . , see p. 11), we would like to ask:

"What policy does your company have with regard to charging freight costs back to the supplier on local shipments, where the customer, due to one reason or another, must pick up the material in his own truck?"

Our costs in this area are beginning to rise perceptibly. We would appreciate your readers' comments as to how they are handling this situation.

L. W. Brettman
Administrative Manager
Procurement Department
Motorola Inc.

• We plan to use this question in a future column. Meanwhile, if you have any thoughts on this, we would like to get your comments.

And We Thank You

Montpelier, Vt.

I do wish to compliment you on PURCHASING WEEK. We look forward to receiving this publication and it is read with much interest by all of the staff. Some of the articles have been the topic of discussion at the staff meetings.

Frank P. Free
Purchasing Agent
State of Vermont

Reprints Wanted

Albuquerque, N. M.

The June 15 issue of your magazine notes that reprints are available of various articles previously published.

I would appreciate your sending me copies of "Write Letters That Bring Results You Want" (Dec. 29 '58), and "Copying Machines Will Reproduce

Written Matter Quickly and Cheaply" (Sept. 29 '58).

Robert L. Thompson
Training Representative, Senior
Albuquerque Division
A. C. F. Industries, Inc.

Philadelphia, Pa.

You offered available reprints of "Purchasing Manuals Have Many Values" (Part I, March 9; Part II, March 16; and Part III, March 23 '59). Would you send me a copy of the reprint on this subject?

F. E. Whyte
Director of Purchases
SKF Industries, Inc.

Escanaba, Mich.

Please send me reprints of the following articles:

"Write Letters That Bring Results You Want,"

"Transportation" (Part I, Trucking, July 28, Part II, Railroads, Aug. 4, and Part III, Air Freight, Aug. 11 '58);

"Value Analysis Profitable Tool Only If All Profit and All Cooperate" (May 5 '58).

Raymond J. Knitter
Purchasing Agent
Welding Products Division
Harnischfeger Corp.

Dania, Fla.

Please send me a reprint of "Write Letters That Bring the Results You Want."

I would also like four copies of "No Mystery to Mathematics," by Llewellyn R. Snyder (June 15 '59, p. 34).

Paul Hummel
Director of Purchases
The Aircraft Fitting Co.

Minneapolis, Minn.

Please send me the following PURCHASING WEEK reprints:

"Copying Machines Will Reproduce Written Matter Quickly and Cheaply" and "Open Door Policy" (Feb. 10 and March 10 '58).

H. S. Boquist
Purchasing Agent
Rosemount Engineering Co.

Raleigh, N. C.

Please send up two copies of "Plastics: How They Are Processed" and "Kinds, Where to Use Them, What They Cost" (May 11 '59, pp. 30 and 31).

W. R. Henderson
State Purchasing Officer

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

Which of the three—price, quality, service—comprised your leading reason for making any changes in suppliers the past year? Why do you feel that factor was the leading one in your case?

H. S. Crawford

Packard Bell Electronics Corp.
Technical Products Division,
Los Angeles



"Our vendor evaluation program includes about 20 rating points, so I cannot truthfully say any change made has been based upon any one point. However, due to missile work, the quality aspect is becoming more and more important. The fact our buyers must turn in a report on a vendor is somewhat responsible for their paying more attention to supplier performance."

E. R. Gilbertson

Curtiss-Wright Corp., Marquette
Division, Cleveland

"The constant search for new, improved and less costly ways to produce parts resulted in more changes for price reasons than any other. The change to powdered metal parts in several instances is typical. Our initial buying effort is aimed at selection of sources where quality and service will not be a doubtful factor. The important by-word becomes 'make sure of your source on the initial buy.'"



R. J. Rucci

Rohr Aircraft Corp., Chula Vista, Calif.

"We weigh all three. However, the principal reason for changing in the past has been that of delivery. In one or two instances this was in turn caused by the supplier failing to qualify his part by the deadline date. In deciding where to place additional orders for an item, price will govern where quality and service are comparable. In the final analysis, we must buy 'value'—because that's the only thing we can sell."

J. L. Hutton, Jr.
Jakes Foundry Co., Nashville, Tenn.

"Price reduction—It was one of the reasons we were able to maintain our competitive sales position during the 1958 recession. Although price was the prime consideration, neither quality nor service were sacrificed. Before changing suppliers, a thorough investigation was made to determine if the supplier was capable of producing a quality product and maintaining satisfactory delivery to meet our manufacturing standards."



J. S. Scofield
Potlatch Forests, Inc., Lewiston, Idaho

"Quality—A supplier that was not in a position to furnish a quality product would not be considered. In my opinion it is the first requisite. Quality in a product is not a 'horseback' guess—it is made possible through extensive research and development. A supplier's reputation can be traced directly to the quality of the product he sells. Price and service are dictated by the law of supply and demand."

J. E. Roby
Defoe Shipbuilding Co.,
Bay City, Mich.

"I would say the placing of business for custom and special equipment has been governed largely by price. We can attribute this to the manufacturers' desire to keep idle machines running. Placing of orders for basic items from mills and prime sources, has been governed by both quality and service. When deadlines are to be met and it is evident that a supplier has sacrificed service. I feel a change of source is in order."

July 6, 1959

THE NATIONAL SCENE



NEED ENGINEERING MATERIALS FAST?

NATIONAL FIBRE DELIVERS STANDARD GRADES FROM STOCK

Weekly Materials Stock Reports Cut Delivery Time!

For accurate information and fast shipments of Laminated Plastics, Vulcanized Fibre and Extruded Nylon from stock, phone your nearest National Sales Office. Every Monday morning all National Sales Offices receive up-to-the-minute information on available stock.

Stocks include grades of PHENOLITE® Laminated Plastic, National Vulcanized Fibre, National Nylon and "Delrin", Du Pont's new acetal resin.

If you prefer, your finished part can be supplied fabricated to your specifications...timed to your production needs. National serves industry from five strategic fabricating plants—Wilmington, Delaware; Chicago, Illinois; Los Angeles, California; Johnson City, New York and Toronto, Canada.



Normal stocks average 30 of the most used grades including glass base, major paper and cotton base grades and those meeting Mil-Specs.



Extruded Nylon Rod is stocked in diameters from $\frac{1}{8}$ " to 2". Nylon fabricated parts can be specified in an almost limitless variety.



Commercial Fibre, used in a broad range of applications, available in sheets, $\frac{1}{8}$ " to $2\frac{1}{2}$ " thick. Colors: red, black or gray.



Rod in diameters from $\frac{1}{4}$ " to 2" in stock. Strip, from .020 to .093 thick up to 7" wide, tubing and special extruded shapes to order.

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You profit from the efficiency of an integrated materials manufacturer-fabricator. This "single-source service" is geared to fast delivery.

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Cincinnati	GARfield 1-0632	Rochester	Hillside 5-0900
Cleveland	ERieview 1-0240	St. Louis	PArkview 5-9577
Dallas	DAvis 4-4386	St. Petersburg	5-5505
Denver	MAin 3-2077	San Francisco	DAvenport 6-4667
Detroit	UNiversity 3-3632	Seattle	MElrose 2-7298
Griffin, Ga	8-1308	Wilmington	Olympia 5-6371
Indianapolis	WAlnut 3-6381		
Los Angeles	RAymond 2-0391		
Milwaukee	BRoadway 6-6995		
New Haven	LOcust 2-3594		
Newark	Mitchell 2-6090		

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Toronto	LEnnox 2-3303
Montreal	AVenue 8-7536



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More State and Local Governments Adopt Centralized Buying Systems

As costs continue spiralling upward, more state and local governments are adopting centralized purchasing programs to stretch tax dollars. Here are recent examples of this trend in purchasing centralization in states and municipalities around the country:

Oklahoma City, Okla.—Administration leaders predict the state will save between \$4 and \$8 million a year when Oklahoma's new centralized purchasing act becomes effective.

The bill, one of the key measures in Gov. Edmondson's reform program, was passed by a wide majority in the house recently and is now undergoing final revision in the senate. There is little opposition to the measure advocated by the governor.

The act would set up a purchasing division under the state board of affairs, to be headed by a state purchasing director who would draw from \$10,000 to \$12,000 a year. There would be 10 buyers, a dietitian, one specifications engineer, and 22 other employees in the state purchasing division.

All state agencies and institutions would acquire all contractual services, supplies, equipment, or materials by presenting requisitions to the state purchasing division.

The house put teeth in the bill by making it a misdemeanor for any state employee to fail to conform with the provisions of the measure. It also would be a felony for agencies to split purchases in order to evade the competitive bidding requirement set on any purchase in excess of \$200. The bill provides penalties on this infraction up to \$500 fine and a six-month jail sentence to assure enforcement.

The act would not apply to food and other products produced by state institutions and agencies or to contracts for construction of new buildings and repair, maintenance, and modernization of old buildings by state colleges.

It also exempts acquisition of textbooks, laboratory supplies, instructional materials, and contractual services used in the construction or maintenance of roads, highways, or structures.

Rochester, N. Y.—The Rochester Regional Hospital Council is considering including two major hospital cost items—drugs and fuels—in its central purchasing program.

The council is currently studying the feasibility of purchasing these items in bulk quantities and what savings might be realized by the 33 member hospitals.

The council's central purchasing plan now includes foods, medical instruments, dressings, furniture, sheets and pillow cases, and uniforms for personnel. It is estimated the program has produced savings of 12% or more for the hospitals concerned.

Englewood, N. J.—The city's new central purchasing agency opened for business on July 1 under the direction of Richard L. Black, the city's business administrator.

Englewood's 20 operating agencies must now requisition their needs through the purchasing office, following set specifications and standards.

Black, who was instrumental

in setting up the centralized buying program, said a city purchasing agent will be appointed once the new system begins operating efficiently.

To insure a smooth working system, the business administrator has drawn up a purchasing manual and distributed it to each

Charlotte, N. C.—Buying by individual department heads in Mecklenburg County ended on July 1 when the county's new centralized purchasing program got underway.

Henceforth, all supplies and

of the operating agencies. It outlines requisitional procedures, handling of competitive bids and bid invitations, and other operations of the new purchasing agency.

"We expect in the final analysis that there will be many savings resulting," Black said. "However, we cannot anticipate what these savings will be at this time."

services for the county, with the temporary exception of medical equipment and clothing needed by the Welfare Department, must be purchased through the central purchasing office headed by Edward Moss, newly appointed county purchasing agent for Mecklenburg County.

Moss predicts he will be able to get discounts on county buying ranging from the regular cash payment discounts to 40%. He plans to integrate buying records with the county I.B.M. accounting system. County Auditor Walker Busby will issue a monthly accounting to each department on the money left in appropriations for supplies and equipment.

Jack Clay Named P.A. For Yakima City, Wash.

Yakima, Wash.—Jack M. Clay, an engineering aide for the Washington State Highway Department, has been named purchasing agent for the city of Yakima.

Clay, 39, worked from 1951 to 1958 for California Packing Corp. in the Yakima area as assistant office manager, division purchasing agent, and employment supervisor.

The city purchasing agent post at Yakima has been vacant since May 1 when Wilton Walker resigned to enter private business.



TEXACO ORGANIZED LUBRICATION CAN HELP YOU...

Get rid of the "guns" that "misfire"

Here's how to cut purchasing costs as much as 80%:

You used to need a different grease for nearly every job. That meant 20 or 30 lubricants in the plant. Purchasing costs were high; inventory and handling expenses were heavy. Furthermore, misapplication—sometimes—was almost inevitable, with damaged machinery the result.

Unless you're operating on the basis of a modern lubrication survey, the chances are that this situation still exists in your plant!

A Texaco Organized Lubrication Plan—using recently developed multi-purpose oils and greases—can reduce your inventory and purchasing costs by as much as 80%—and virtually eliminate misapplication dangers.

Get the details on Texaco Organized Lubrication. Contact your local Texaco Lubrication Engineer or write for "Management Practices that Control Costs via Organized Lubrication."

Texaco Inc., 135 East 42nd Street, New York 17, N. Y., Dept. PW-101.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL

Army 'Breakout' Program Helping Small Firms

San Francisco—The Army's efforts to give small business a bigger slice of government contracts has forced a major change in ordnance district procurement procedure.

This was highlighted last month when the San Francisco Ordnance District became the first in the nation to activate a separate purchasing branch.

Army Ordnance officials here consolidated all purchasing functions in a single office to keep up with the wider contractor participation in military procurement brought about by the Army's so-called "Breakout" program.

The purpose of "Breakout" is to give small business a direct crack at government contracts instead of having smaller firms deal only through large prime contractors.

"As the Army breaks out from these prime contracts," Col. John M. Stark, the district commander, explained, "certain items and components become standardized and subject to competitive procurement." He said the new purchasing branch will:

1. Give greater distribution to invitations for bids.
2. Conduct continuing facilities surveys.
3. Solicit proposals in scientific areas.
4. Acquaint interested contractors with current and future

scientific requirements of Army.
5. Support small business efforts to bid for government business.

"Phase 2" of the reorganization went into effect July 1 when the purchasing branch took over the San Francisco district's qualitative development program. Qualitative development is a nationwide Army program under which ordnance solicits miscellaneous development ideas from businesses and research centers and sifts through them to find

possibilities for future contractual development.

The new purchasing department, headed by Capt. Milton Rothman, is sending letters to about 1,000 Western firms announcing the new plan and giving information about the qualitative development program.

Col. Stark said that representatives from other ordnance districts already are observing the new purchasing department as a possible solution to procurement problems brought about by "Breakout" in their districts.



DISCUSSING NEW PURCHASING BRANCH of San Francisco Ordnance District are, left, Capt. Milton Rothman, Department Head; Melvin B. Sundstrom, research chief; and J. K. Murray, small business specialist.

Buying Snagged By Tight Funds

Olympia, Wash.—A new state purchasing law passed by the 1959 legislature has been only 75% effective, principally because of a shortage of funds, according to Charles W. Hodde, state director of general administration.

The purchasing division needs \$90,000 more than was made available by the legislature for the current biennium, Hodde contended. Some extra funds may be obtained from the governor's \$1.5 million emergency fund but otherwise the division must wait for action by the 1961 legislature.

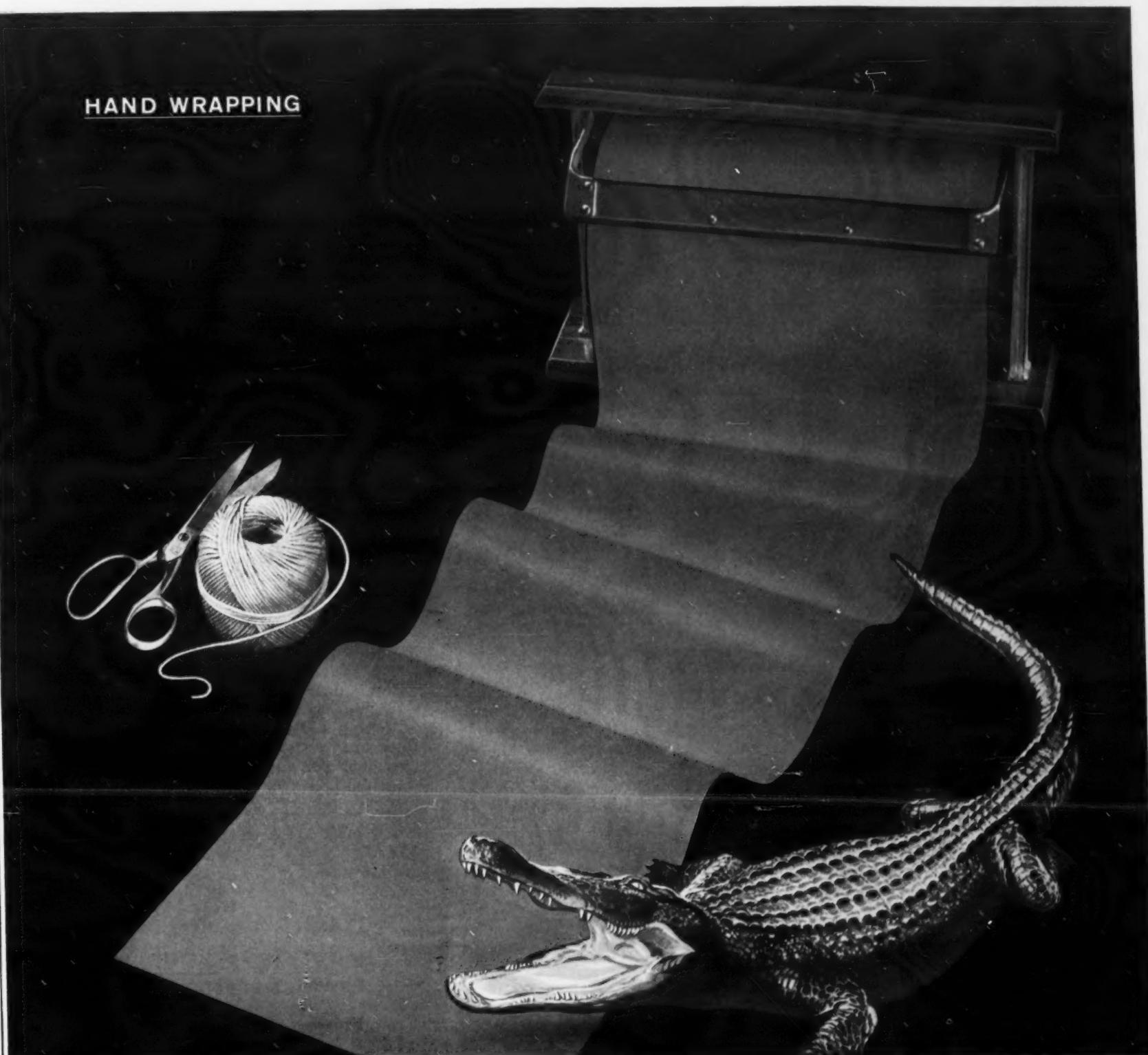
The money-pinch has prevented the division from creating a materials inspection and testing section required by the new law, Hodde said. It also is short-handed in two other sections.

"We are issuing only half as many bid invitations as we should," Hodde said. More than 1,200 firms have asked to be placed on the vendors' list, far more than officials thought would be interested.

Meanwhile, State Auditor Cliff Yelle disclosed that John A. Donaho & Associates of Baltimore, retained by the state to assist in installing a new purchasing system, was paid at the rate of \$200 a day. The firm filed a claim for a total of \$14,000 for the services of a principal consultant who worked 72 days in the period from February through May.

Hodde estimates that the new purchasing system, when complete and operating efficiently, will save the state about \$1.5 million annually on purchases of \$22.5 million.

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Ask your local paper merchant for samples and further information.



Southern Kraft Division INTERNATIONAL PAPER New York 17, N.Y.

A Purchasing Week Profile

Dick Holley, General Crude Oil P.A., Finds a Lucrative Hobby in Painting

Although he is an artist of note now, Dick Holley was a child of the depression: hungry, restless, and talented with his fists.

He left his north Texas home at 14 "so I could eat and get an education."

Today, at 50, P. H. (Dick) Holley, purchasing agent for General Crude Oil Co., Houston, looks back on an adventure-filled life:

More than 100 fights in the prize ring, roughnecks in Texas boom towns, a steady rise with General Crude, and worthy achievement in his first love, landscape and portrait painting.

Holley rates himself a "Sunday painter." However, the fact that he sold 75 paintings last year establishes him as an artist of note in the Southwest.

"Let's just say that I have a lucrative hobby," he says.

His portraits in pastels bring about \$50 each; landscapes in oil about \$100. He works in all mediums: oil, pastels, charcoal, and ink. Currently, he has half a dozen or so paintings hanging in the Houston Art League Gallery and other spots in the city.

He was 15 when he was fighting 10-round main events in Fort Worth as a bantam and featherweight (118-128 lb. class).

"One day I decided to go to Chicago," Holley recalls, "so I got on a bus and went." In a Loop gym he quickly learned that pro fighters in the Midwest and East were starving to death.

"Pros were getting \$50 a fight but they

only fought about once a month. The amateurs were making the real money, \$10 a fight. But they could fight 3-rounders four-five times a week.

"Of course, they were amateurs in

era of Capone and jazz bands. "Many a week I made \$50 bucks," he recalls. "And my manager was a real sweet guy. He was a gambler by trade but he saw to it that I attended school and church."

After 87 fights, he says, he decided he had enough of the Midwest. He lost but 13 of those fights and reversed 12 of those losses in return bouts.

"My manager wanted me to turn pro," says Holley, "but I had my heart set on going back to Texas and attending college."

One year in Chicago he was an alternate on the Chicago Tribune Golden Glove Boxing team that went to the finals in New York City. A tough kid named Barney Ross, later to gain fame as a prize fighter and Marine, also was on the same team.

Back in Texas, Holley finished high school, then enrolled at North Texas State College as an art major. It was here that he met a girl named Kathryn and married her.

F.D.R.'s brain-trusters were still wrestling with the depression when Holley came to Houston in 1935 and took a job as office boy with General Crude.

After 10 months management sent him into the field. Dick and Kathryn Holley skipped from one oil boom town to another during those hectic days. Gradually he was promoted within the organization to chief warehouseman, then to assistant purchasing agent. He got the top purchasing job two years ago.

He regards his "lucrative hobby" as a financial prop when he retires. And he feels that perhaps "some of my urge to paint has rubbed off" on his 18-year-old, Richard, who recently won a 4-year college scholarship for furniture design.



HOLLEY has earned an artist's distinction by having works hung in Houston Gallery.

name only. You got a medal or a cheap watch that the promotor redeemed for \$10."

He says, "One manager advised me to go back to Texas after watching me work out; I guess he riled me a bit. I fought twice that night and won by knockout each time."

Holley lived well in the wild Chicago

In the World of Sales

J. A. Anhalt succeeds W. D. Dalrymple, who retires July 1, as sales manager of Eastman Mfg. Co., Manitowoc, Wis.

J. Dan Brock has joined Frontier Airlines, Denver, as vice president for traffic and sales. He was formerly with TACA International Airlines, New Orleans.

Joseph J. Diamond and John I. Dean have been assigned the new posts of vice president and manager of Eastern sales and vice president and manager of West-

ern sales respectively by Porter-Cable Machine Co., Syracuse, N. Y.

J. Kenneth Sloan has been appointed sales manager of the Wagener Pump Division, Canton Stoker Corp., Canton, Ohio.

Hal G. Morinway has been named sales manager, Cragin & Co., Seattle, succeeding L. S. Cragin, Jr. Cragin continues as secretary-treasurer.

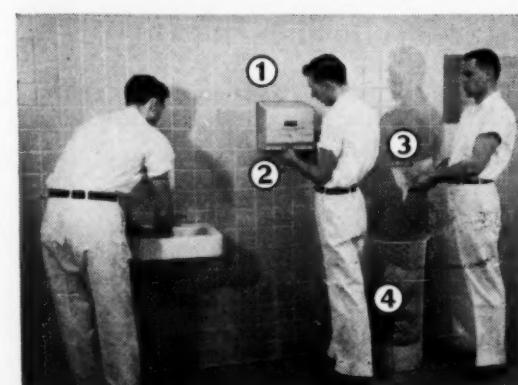
Glenn Mason has been named sales manager of Jes-Cal Co., Fraser, Mich.



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① 417 towels per roll mean less cabinet filling

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So don't be cramped...get VERTI-FILE! Call your local DeLuxe dealer or write direct.

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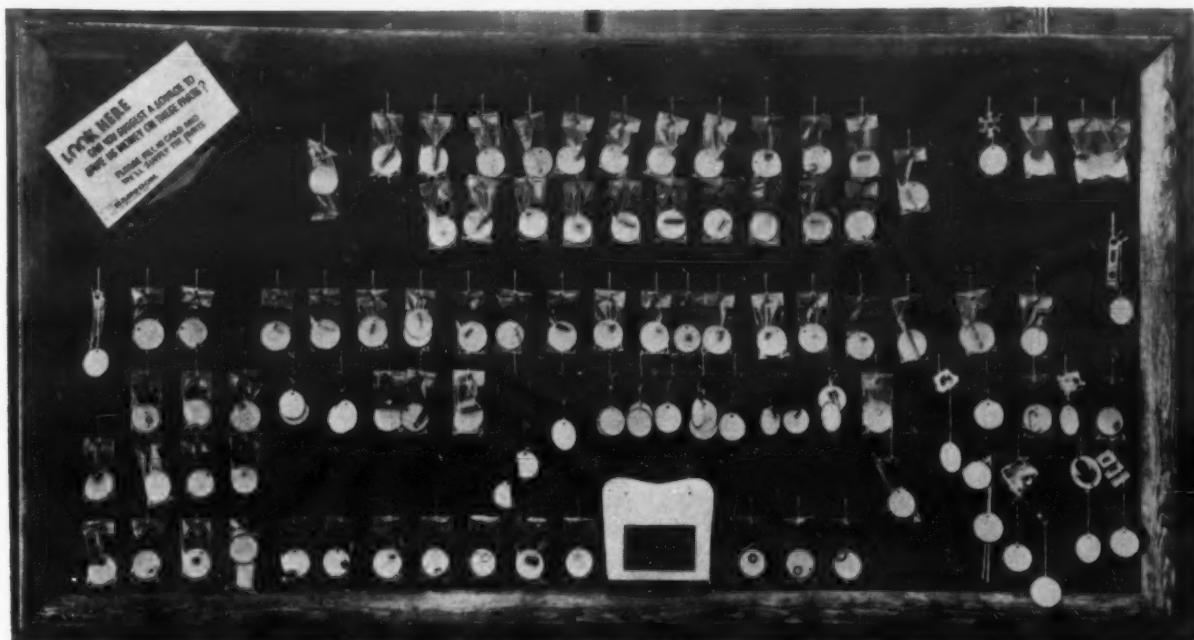
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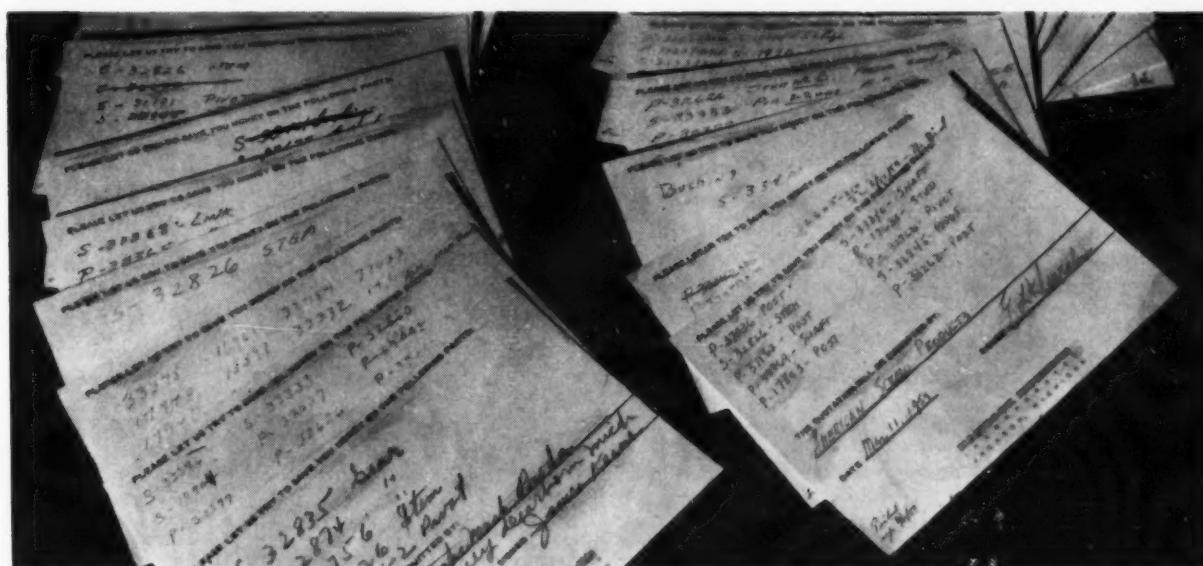
READER XCHANGE

Displayed Parts Invite Cost Cut Ideas; Suggestions Save Money on Mailings

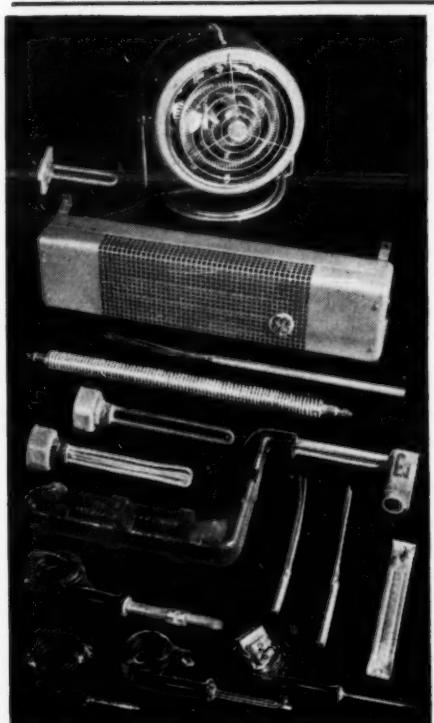
Your ideas are useful to other purchasing agents. Reader Exchange gives you the opportunity to present them.



Board displays purchased parts with request for cheaper sources.



Simple form suggesting better sources for parts is easy to fill out.



HEAT

... in any form
... when and where
you need it

Select immersion heaters, strip heaters, cartridge heaters, or tubular heaters—for heating air, solids of any shape and liquids of any consistency with automatic, accurate heat control . . . on your production line or as part of your product.

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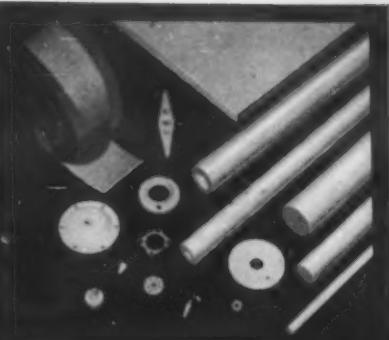
COMPANY _____

ADDRESS _____

CITY _____

STATE _____

GENERAL ELECTRIC



1. Parts Display Board

Everybody wants to get into the act—so, the purchasing department at Hancock Mfg. Co., Jackson, Mich., is letting them do just that.

A sample of every part currently being purchased by Hancock is enclosed in plastic envelopes, identified with the part number, and hung on a display board (above left) in the plant lobby. A sign across the board invites all passersby to offer their suggestions for a less expensive source to help save money. Being a producer of fabricated metal assemblies for automotive, appliance, and other industries, Hancock buys many small parts like grommets, washers, tiny shafts, rivets, miniature gears, etc.

The successful display has brought in dozens of suggestions a month. The short form to be filled out (below left) has caught the eye of many salesmen. Some have asked permission to send diagrams of parts that their companies did not make to other companies who, they think, could possibly help save money.

A second purpose has resulted from the board. It actually saves time in purchasing too. The lobby display board is the first thing a salesman sees. If he wants to quote something, he fills out a card before going into the P.A.'s office. He knows immediately what is bought and what is not bought in such a plant. It makes his job easy and saves him time.

what you need
to know about
highest quality

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and other
**TFE fluorocarbon
stock shapes**

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... Write for this helpful information to The Polymer Corporation of Penna., Department B, Reading, Pa.

POLYPENCO QUALITY

Polymer's rigid controls (plus new, exclusive "ULTRASONIC" testing) cover raw materials right through finished product. You get TFE fluorocarbon stock shapes with constant electrical and physical properties, uniform density, maximum dimensional stability.

POLYPENCO SERVICE

Engineering assistance is always available to help you get all the benefits of Teflon's valuable electrical, mechanical and other desirable properties.

POLYPENCO DELIVERY

Polymer distributors and representatives, located in all major cities, assure prompt delivery to meet your immediate requirements.

POLYPENCO Teflon is available in all standard sizes in these stock shapes:

ROD • TUBING • SHEET
TAPE • SPAGHETTI TUBING
THIN WALL TUBING
ROUND AND SQUARE BEADING

Custom
fabrication
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if desired



**THE POLYMER
CORPORATION OF PENNA.**

Reading, Pa.

Export: Polypenco, Inc., Reading, Pa., U.S.A.

*DuPont trademark for Fluorocarbon resins

2. Cut Costs in Company Mailings

Economy in handling company mailings is the business of any P.A. who buys stamps, envelopes, forms, or mailroom equipment. A program that stops the trickle of pennies wasted in mailings and results in real dollar savings is one set up by Edwin Howald, supervisor of forms control for Falstaff Brewing Corp., St. Louis.

Long before the postal rate hike in August 1958, Howald decided ways must be found to offset the high postal costs. Here are some of his money-saving ideas:

• **More careful scheduling of mailing.** Howald showed company personnel that a letter sent airmail special delivery from St. Louis to Fort Wayne on a Friday, for example, would not be in the hands of an addressee until Monday. Ordinary first class would also get it to the destination Monday.

• **Study often-overlooked third and fourth class mail.** Printed matter, such as a company publication, might be mailed at these less expensive rates. A \$10 per-

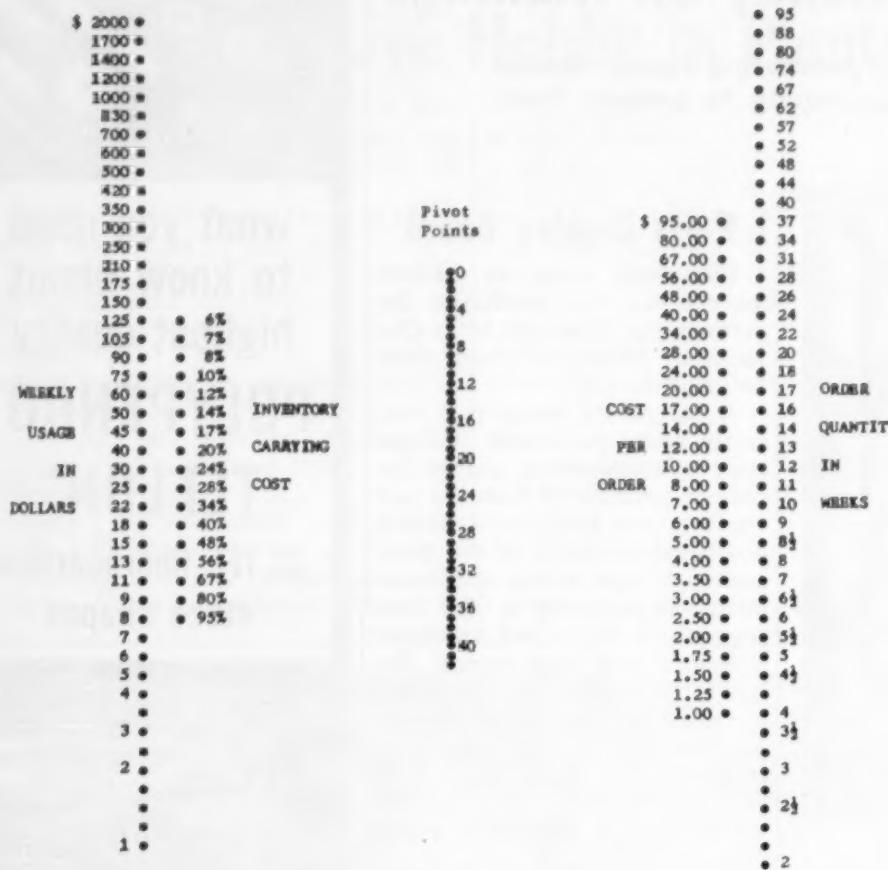
mit allows such mailing to go out imprinted with an indicia. Third class mailings must be sent in non-sealing envelopes (saving in purchase of envelopes).

• **Post slogans throughout plants.** In one "Save-a-Day" announcement Howald reminded employees to mail before noon and save a day. Here's how the day is saved: A letter mailed first class just before the noon collection is picked up and sorted Monday afternoon and delivered in the same city, or nearby cities, the following morning. But the letter mailed Monday afternoon is sorted Tuesday morning or afternoon for delivery on Wednesday. A few hours difference in mailing a letter can mean a day's difference in time of arrival.

• **Plan Advance Mailings.** Try to plan on mailing a day ahead of schedule to use less expensive rates when possible.

• **Use postal zoned mailing lists.** All outgoing mail should include the proper zone number, if any. Postmaster will send a list of postal zones free.

1. Economic Order Quantity Guide



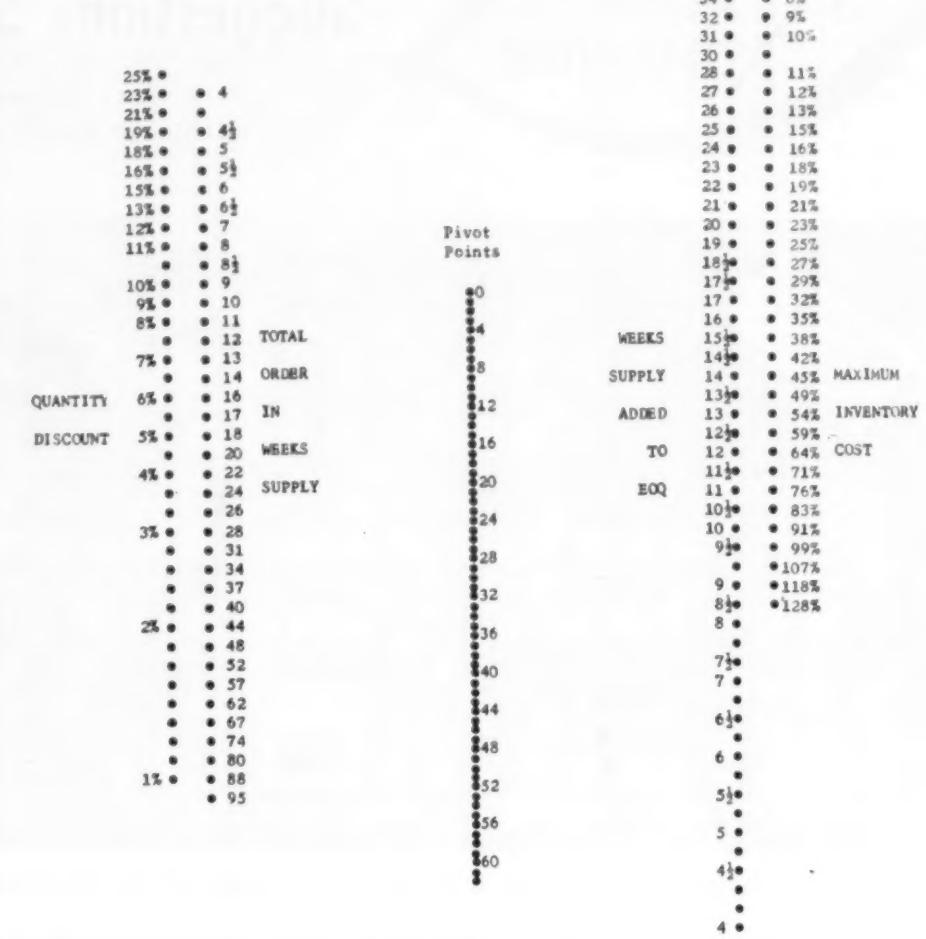
Assume: Inventory Carrying Cost..... 24%
Cost per Order..... \$10
Weekly Usage 250

Connect 24% inner-left column with \$10 in inner-right column. The result is pivot point 21.

Connect \$250 in outer-left column with pivot point 21. Read the Order Quantity in outer-right column.

It should be 4 weeks' supply.

2. Quantity Discount Guide



Assume: Quantity Discount offered..... 5%
Total Order In Weeks' Supply..... 31
Present E.O.Q. (in weeks)..... 11
Weeks added to E.O.Q. 20

Connect 31 of inner-left column with 20 of inner-right column. Pivot point is 10. Connect 5% in outer-left column with pivot point 10. Read 38% in outer-right. If carrying inventory costs less than 38%, the larger quantity is profitable.

Use These Nomographs to Help

Nomograph Charts, Prepared by W. Evert Welch, Guide P.A.'s in Deciding How Much to Order and When

Purchasing executives seeking better tools for inventory management found a complete handyman's kit at the N.A.P.A. convention last month. The six charts pictured here represent perhaps the simplest, yet most complete set of working guides for the inventory manager.

Prepared by W. Evert Welch, corporate management consultant for Minneapolis-Honeywell Regulator Co., the nomographs operate quite simply. They require just two applications of a straight-edge to obtain an answer to the immediate problem. No calculation or reference tables are necessary for their use in inventory management.

How to use each nomograph is explained by example under it. But before trying each one, let's see where they can be used.

These charts are guides to two decisions that create inventory: "how much" (called order quantity) and "when" (called reorder point or due date).

They can be used in two ways. First as a check on present decisions; second, as working tools for future inventory decisions.

As a check, they indicate the consistency of present practice as well as its relative magnitude. As working tools, they weigh factors relating to the problem and compute optimum answers.

Charts, tables, and nomographs have several advantages. Their application results in consistent results. And they implement changing

management policy, making these changes of management policy in a controlled and predictable manner.

However, Evert Welch is the first to admit they are not substitutes for good judgment. Rather, "they are tools for expressing good judgment in a form that can be used by others, or that can be adapted to data processing machines."

How to use these charts

All these charts have four data columns plus a center one of pivot points. The procedure is to connect known data in either the outer or inner pair. This establishes the pivot point. The known data in the remaining left-hand column is then connected with the pivot point. The answer is read in the remaining right-hand column.

It's as simple as that. But a word on the value of each chart.

1. Economic Order Quantity Guide

Like all charts this one can be used in two ways, as a check on present order quantities and as a working guide in determining even more economical quantities to order.

As a check, connect several actual "Weekly Usage in Dollars" in the outer left column with your "Order Quantity in Weeks" in outer right column. If your decisions are consistent, all pivot points will be the same. If not, the tighter the cluster the more consistent the decisions.

As a working guide, follow the example outlined under the chart.

2. Quantity Discount Guide

To use this as a check, use it as you do Chart 1. Connect two values in the inner columns with a rule. Note the pivot point. Connect "Quantity Discount" of your choice in the outer left column with this pivot point and read "Maximum Inventory Cost" on outer right.

If decisions are consistent, final result will be same for all decisions.

As a working guide, this chart will tell you whether to take advantage of quantity discounts which are offered to you. If the "Maximum Inventory Cost" is greater than inventory carrying cost, the opportunity is profitable. The greater the difference between the two, the greater the profit.

3. Forward Buying Guide

This chart will help you decide how many additional weeks' supply to buy to beat an expected price increase.

To check decisions you have already made, use the outer column charts first. Find the "Inventory Carrying Cost" of your past decisions.

As a working guide follow the example under the chart. Your purchase should be for the amount found in the outer right column. You should also bring present stock up to its normal maximum level. However, don't place an order for a small dollar amount unless the expected saving is at least as great as your "Cost per Order."

4. What to Stock Guide

This nomograph will help you decide

whether to stock a special item or order it on demand only.

As a check on past decisions, start with values in the outer columns. What you want to determine is the "Inventory Carrying Cost" in past decisions. This is the cost implied by your decisions.

As a working guide follow instructions under the graph. If your final answer in "Withdrawals per Year" column is more than what you really expect, order the item on demand only.

5. & 6. Safety Stock Guides

Safety stock is the amount of an item you will have on hand when a new order arrives, if both usage and lead time have been average since placement of the order. It is your insurance against stock-out due to abnormal usage.

Determining an economic safety stock level—and the resultant reorder point—is a complex decision. To be completely efficient requires evaluating the cost of stockouts. It also requires evaluating probable behavior of usage and lead time during the reorder point cycle.

Charts 5 & 6 will suggest a line of reasoning. They may encourage you to study further this important aspect of inventory control. The judgment must still be yours, but using these charts will help.

After you have determined the safety stock index in both charts, compare them. Chart 5 is a measure of what you need; Chart 6 of what you have. By comparing the two indexes you can be guided in what kind of correction you should make.

3. Forward Buying Guide

		Pivot Points	
• 34%	• 0	• 52	
• 28%	• 4	• 44	
• 24%	• 8	• 37	
• 20%	• 12	• 31	
• 17%	• 16	• 26	
• 14%	• 20	• 22	
• 12%	• 24	• 18	WEEKS
• 10%	• 28	• 16	
• 8% EXPECTED	• 32	• 13	
• 7% PRICE	• 36	• 11	SUPPLY
• 6% INCREASE	• 40	• 9	
Reference •	• 44	• 8	TO
• 4% INCREASE	• 48	• 6	
• 3%	• 52	• 5 ADD	
• 2%	• 56	• 4	
• 1½%	• 60	• 3	
• 1¼%	• 64	• 2	
• 1%	• 68	• 2	
	• 72	• 2	

Assume: Inventory Carrying Cost.....20%
Expected Price Increase.....5%

Connect 5% in inner-left column with 20% in inner-right column. The pivot point you read is 21.

Connect the reference point in outer-left column with pivot point 21. Read the answer of 13 weeks in the outer-right column.

Place an order for quantity to bring inventory up to its normal maximum. Then add 13 week supply to beat the expected price increase.

4. "What-to-Stock" Guide

		Pivot Points	
\$ 2000	• 0	\$ 48.00	• 1
1700	• 4	• 40.00	• 2
1400	• 8	• 34.00	• 3
1200	• 12	• 28.00	• 4
1000	• 16	• 24.00	• 5
830	• 20	• 20.00	• 6
700	• 24	• 17.00	• 7
600	• 28	• 14.00	• 8
500	• 32	• 12.00	• 9
420	• 36	• 10.00	• 10
350	• 40	• 8.00	• 11
300	• 44	• 7.00	• 12
MAXIMUM 250	• 48	• 6.00	• 13
210	• 52	SPECIAL	WITH-
INVENTORY 175	• 56	• 4.00	DRAWALS
150	• 60	• 3.50 ORDER	PER
IN 125	• 64	• 3.00 COST	YEAR
DOLLARS 90	• 68	• 2.00	
75	• 72	• 1.75	
65	• 76	• 1.50	
50	• 80	• 1.25	
45	• 84	• 1.00	
40	• 88		
30	• 92		
25	• 96		
22	• 100		
18	• 104		
15	• 108		
13	• 112		
11	• 116		
9	• 120		
8	• 124		
7	• 128		
6	• 132		
5	• 136		

Assume: Special Order Cost.....\$10
Inventory Carrying Cost.....20%
Maximum Inventory\$300

Connect \$10 in inner-left with 20% of inner-right column. Pivot point is 21. Connect \$300 in outer-left column with pivot point 21. Read 6 "Withdrawals per Year" in outer-right column.

Item should not be stocked if withdrawals are apt to be less than 6 a year.

Solve Inventory Management Snags

5. Safety Stock Guide

		Pivot Points	
17 •	• 0	• 0.10	
14 •	• 4	• 0.25	
12 •	• 8	• 0.35	
10 •	• 12	• 0.55	
8 •	• 16	• 0.70	
7 •	• 20	• 0.85	
6 •	• 24	• 0.95	
5 •	• 28	• 1.10	
4 •	• 32	• 1.15	
3.4 •	• 36	• 1.30	
2.8 •	• 40	• 1.35	
RATIO- 2.4 •	• 44	• 1.45	
2.0 •	• 48	• 1.55	
STOCKOUT 1.7 •	• 52	• 1.65	
1.4 •	• 56	• 1.75 SAFETY	
COST 1.2 •	• 60	• 1.80 ORDERS	
1.0 •	• 64	• 1.85 STOCK	
TO .8 •	• 68	• 1.95 PER	
.7 •	• 72	• 2.05 INDEX	
UNIT .6 •	• 76	• 2.10 YEAR	
.5 •	• 80	• 2.15	
COST .4 •	• 84	• 2.25	
.35 •	• 88	• 2.30	
.30 •	• 92	• 2.35	
.25 •	• 96	• 2.40	
.20 •	• 100	• 2.50	
.17 •	• 104	• 2.55	
.14 •	• 108	• 2.60	
.12 •	• 112	• 2.65	
.10 •	• 116	• 2.75	
.08 •	• 120	• 2.80	
.07 •	• 124	• 2.85	
.06 •	• 128	• 2.90	
.05 •	• 132	• 2.95	
.04 •	• 136	• 3.00	

Assume: Unit Cost of Stocked Item.....\$1
Cost of being unavailable.....50¢
Items Ordered, times a year.....4
Cost of Carrying Inventory.....20%
Connect 20% on inner-left column with 4 of inner-right. Pivot point is 17.
Connect 0.5 (50¢/\$1) in outer-left with pivot point 17. Read Safety Stock Index 1.30.

6. Present Safety Stock Practice

		Pivot Points	
28% •	• 0	• 2.5	
24% •	• 4	• 2.45	
20% •	• 8	• 2.4	
17% •	• 12	• 2.35	
14% •	• 16	• 2.3	
12% •	• 20	• 2.25	
10% •	• 24	• 2.2	
8% •	• 28	• 2.15	
7% •	• 32	• 2.1	
6% •	• 36	• 2.05	
5% •	• 40	• 2.0	
4% •	• 44	• 1.95	
RATE 3.5% •	• 48	• 1.9	
3% •	• 52	• 1.85	
2.5% •	• 56	• 1.77	
2% •	• 60	• 1.7	
1.8% •	• 64	REPLENISHMENT	10 • 1.65
1.5% •	• 68	ORDERS	8 • 1.6 SAFETY
1.3% •	• 72	STOCK	7 • 1.55
1.0% •	• 76	PER	6 • 1.5 STOCK
.9% •	• 80	IN	5 • 1.45 INDEX
STOCKOUT .8% •	• 84	3½ WEEKS	4 • 1.4 INRIX
.6% •	• 88	.5 SUPPLY	3½ • 1.37
.5% •	• 92	.2	3 • 1.25
.4% •	• 96		2½ • 1.2
.3% •	• 100		2 • 1.15
	• 104		1½ • 1.07
	• 108		1 • 1.0
	• 112		.95
	• 116		.90
	• 120		.85
	• 124		.8
	• 128		.75
	• 132		.7
	• 136		.65
	• 140		.55
	• 144		.5
	• 148		.45
	• 152		.35
	• 156		.32
	• 160		.3
	• 164		.27
	• 168		.25

Assume: Currently Planned Safety Stock.....8 weeks
Estimated rate of stockout.....1%
Replenishment per year.....4

Connect 8 in inner-left column with 4 in inner-right. Read pivot point of 13. Connect 1% in outer-left with pivot point 13. Read safety stock index of 1.55.
(See writeup at left for comparison.)

San Antonio Purchasing Chapter Officially Joins N.A.P.A. District 2

San Antonio, Texas—A new local chapter, the Purchasing Agents Association of San Antonio, has been added to National Association of Purchasing Agents' District 2.

Prior to the organization meeting in May, the "maverick" group accepted 45 of 54 membership applications and adopted a constitution. Attending San Antonio P.A.A.'s first session were: Frank Scott, District 2 vice president; Fred D. Bradley, immediate past District 2 vice president; and Ben R. Newberry, a former national president of N.A.P.A.

Bryan Gouger was named as the new association's first president. Other officers are: A. R. Canapa, American Lithium Chemicals, first vice president; Frith Arnold, Alamo Iron Works, second vice president; B. C. Jackson, City Public Service Board, secretary for the association.

Other officers are: Robert Mayfield, H. B. Sachry, treasurer and H. L. Thulemeyer, Lone Star Brewing, national director for the association.

A special session is slated this summer to accept the nominating committee's recommendations for five local directors of the San Antonio Purchasing Agents' Association.

N.A.P.A. Chapters Elect Presidents for '59-60



HENRY R. RUSSELL was chosen president of Washington P.A.A.

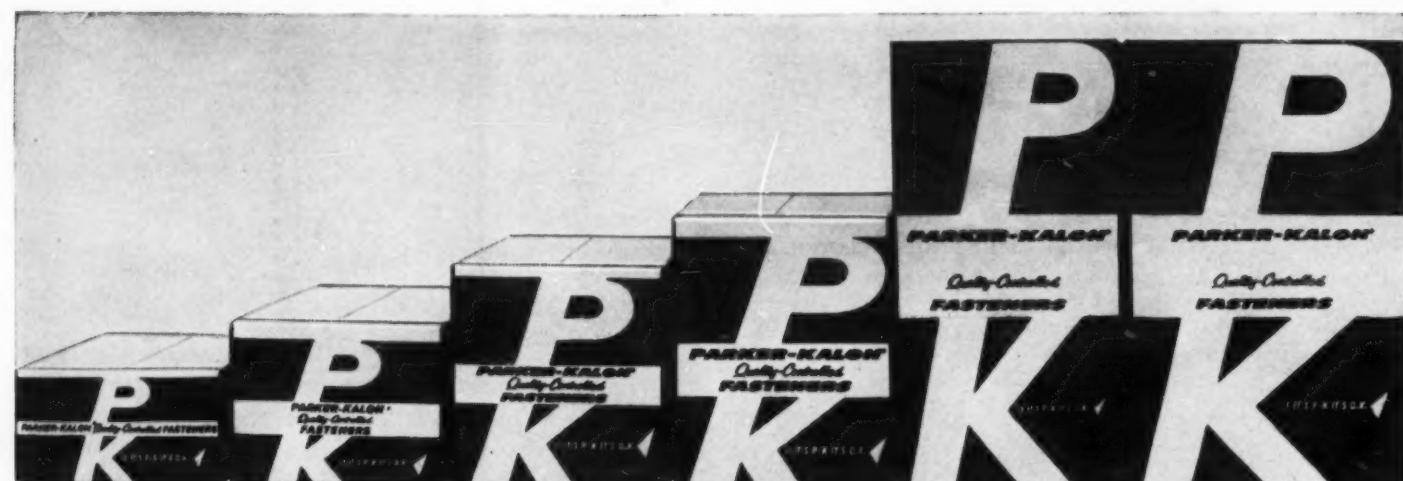


JOHN J. STAED was elected president of St. Louis P.A.A.



JACK B. TURTLE was installed as Denver P.A.A.'s president.

SAN ANTONIO P.A.A. officers pose with smiles after election as new group's first slate. Shown, left, B. C. Jackson, secy.; A. R. Canapa, 1st v.p.; Bryan Gouger, pres.; Frith Arnold, 2nd v.p.; H. L. Thulemeyer, director; and Robert Mayfield, treasurer.



A new concept in bulk-packaging of tapping screws...

the all-new P-K® BULK-KEG

Now... famous P-K tapping screws can be delivered to you in fixed keg quantities. Developed by Parker-Kalon, with the ultimate user always in mind, the new Bulk-Keg is designed to simplify ordering , handling, inventory control and production use. For the user's convenience, Parker-Kalon will package 80% of all popular stock size tapping screws in kegs containing 15,000 pieces.

Other stock sizes will be packed in quantities from 2500 to 25,000 depending upon size of fastener. Ask your distributor to show you the P-K Bulk-Keg Package Schedule.

Here's how the new P-K Bulk-Keg can help you

SAVE TIME... All information for speedy identification of keg contents is printed in large, easily-read type on two sides of the keg. Tally Card packed inside each keg aids maintenance of physical inventory at all times. Control is easy, accurate—from order desk to storeroom to production line.

SAVE LABOR... In the stockroom there's no fumbling, no waste motion. Every P-K Bulk-Keg is uniformly 9" wide by 9" deep (with a single exception). All stack neatly, quickly and easily. At the assembly line, P-K's new Tear Tape feature makes opening and re-sealing of kegs simple and efficient. A pull on the tape and the

pre-slotted cover opens to make a hinged top. No need for pliers, wire cutters, or aggrevation.

SAVE MONEY... Neatly sealed P-K Bulk-Kegs make allocation of production quantities fast and orderly. No in-shop distribution of screws in open trays. No hazardous spilled fasteners on factory floors. Loss caused by dropped and broken packages in stockroom or at the assembly line is eliminated. The new keg has been independently pre-tested by Container Laboratories, Inc. of New York. It meets all drop, compression and impact tests.

For immediate delivery of P-K tapping screws in the handy, all-new P-K Bulk-Keg, call your P-K distributor—today!



PARKER-KALON® fasteners

PARKER-KALON DIVISION, General American Transportation Corporation, Clifton, N. J.
Offices and warehouses in Chicago and Los Angeles.

Local Purchasing Groups Around The Country Elect New Officers

With the N.A.P.A. 1959 New York convention activities now past history, new officers of affiliated purchasing groups around the country are planning programs to highlight the fall and winter season. Here are more of the local purchasing group officers elected in recent state and city association balloting.

Elmira, N. Y.—R. J. Rock, Ingersoll-Rand, is the new president. Other officers are: E. W. Colpitts, National Homes Corp., and C. J. Ramberg, Ingersoll-Rand, vice presidents; E. W. Reese, LeValley-McLeod, secretary; and J. F. Kellogg, Kennedy Valve, treasurer.

Syracuse, N. Y.—William Huntley, Brace-Mueller-Huntley, was named president of the Syracuse and Central New York P.A.A. Other officers include: Fred Bauman, General Electric, vice president; John Edmonds, Lipe-Rollway, secretary; and Robert Greenfield, Gray-Syracuse, treasurer.

Dayton, Ohio—Clarence L. Johnson was named president. Other officers are: Harold F. Barnes, first vice president; Lloyd K. Graber, second vice president; Mrs. Harriette B. Peters, secretary; Ned A. Lewis, treasurer; Harold O. Rice, national director; and Phillip B. Hull, director.

Lafayette, Ind.—D. F. Finn, Purdue University, heads the Greater Lafayette P.A.A. Other officers are: Thomas Lang, Berger Steel, vice president; J. L. Thompson, Eli Lilly, secretary; and A. L. Muller, Alcoa, treasurer.

Richmond, Ind.—Guy Chestnut, Hoff Sheet Metal Works, is president of the Eastern Indiana P.A.A. Other officers include: Roy Kratzer, Carter Paint, vice president; J. R. Stanley, Richmond Baking, secretary; and J. E. Schilling, Maxon Pre-Mix Burner, treasurer.

New York—The N.A.P.A. Insulators of Electrical Conductors-Buyers Group has elected Abraham Kraus, Hatfield Wire & Cable, chairman. Other officers are: Elmer Johnson, American Steel & Wire, secretary and John R. Garey, William Brand, treasurer.

In Canada:

Hamilton, Ont.—C. R. Jones, Brown Boggs Foundry, heads the Hamilton District P.A.A. Other officers are: J. A. Hishon, Cana-

Carolinas-Virginia P.A.A. 2-Day Mtng. Draws 200

Blowing Rock, N. C.—The Carolinas-Virginia Purchasing Agents Association drew approximately 200 members to its two-day summer meeting here last month.

The program consisted of a business meeting, a value analysis and standardization program, the annual golf tournament, a forum on purchasing policies relating to outside relationships, and an economic forecasting session.

dian Westinghouse; R. J. Connor, Dominion Foundries, vice presidents; J. B. Cameron, International Harvester, treasurer; W. R. Almas, National Steel Car, recording secretary; and J. J. Kealey, Steel Co. of Canada, corresponding secretary.

SOUTHERN JERSEY P.A.A.'s new officers discuss plans for 1959-60. Pictured, left, Glenn A. Scott, Monsanto Chemical, pres.; Robert H. Davis, Camden Trust, v.p.; Irving Shipkin, Cutler Metal, secy.; Marvin J. Lynch, Mobil Oil, treas.



ON THE BALL 500,000 TIMES A DAY BRIDGEPORT Free-Machining Brass Rod!

Because ball point pens are in everyday use, production of vital brass tips becomes astronomical along with quality control problems.



These tips—one of which is shown much enlarged—are produced at ultra-high speeds. The brass rod needed for them must be flawless in every respect. *Consistent* metallurgical composition, *precise* dimensional tolerances and *unvarying* standards of machinability—if any of these qualities vary even a fraction, production comes to a frequent and costly halt.

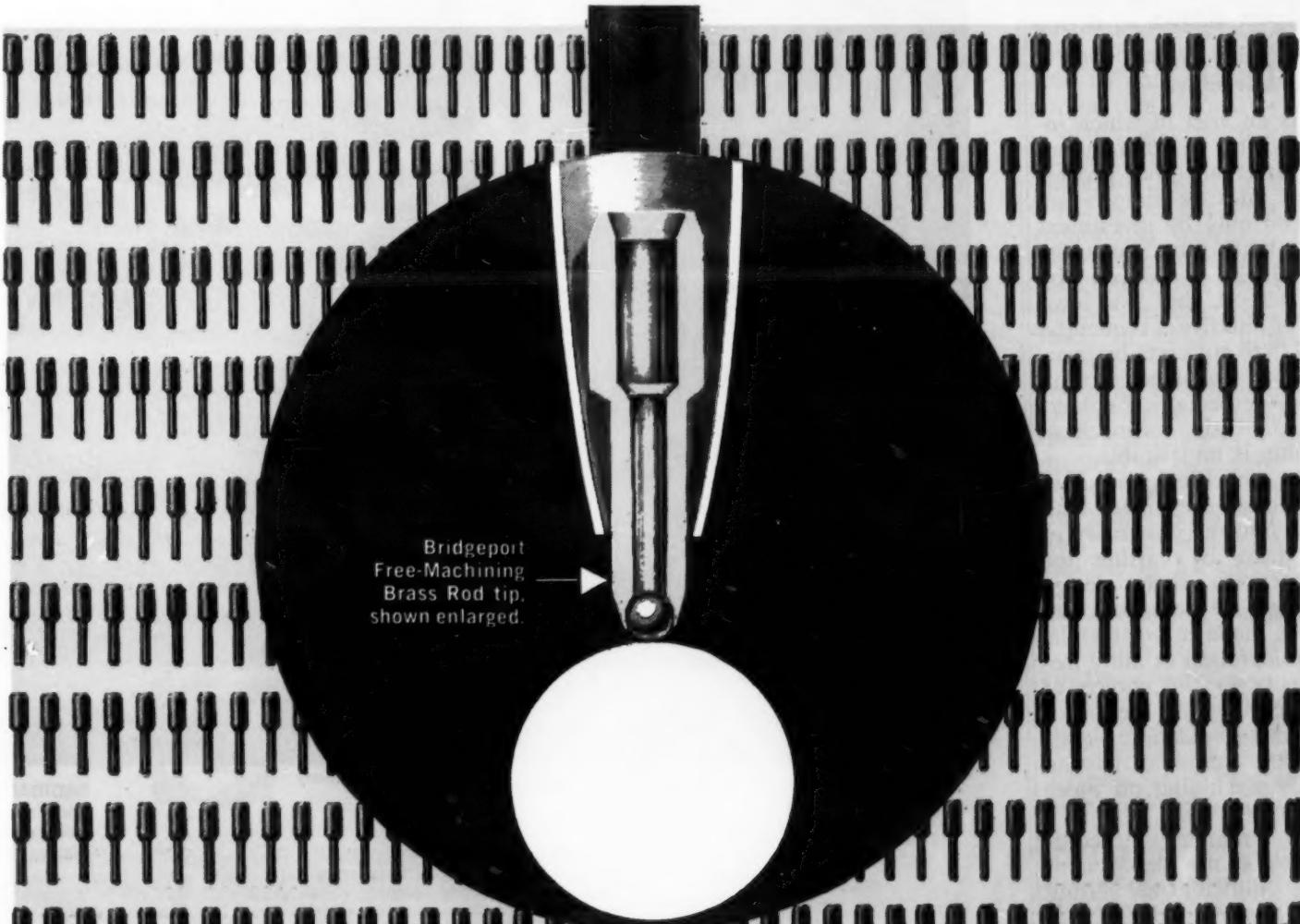
That's why Revere Metal Art Co., Inc., New York City, specifies Bridgeport Free-Machining Ball Point Pen Brass Rod for these inserts. It meets all requirements for precision, straightness, workability, machinability and tolerances—and, in addition, provides a surface finish that keeps finishing time and costs to a minimum.

Whether you use rod, strip or tube, you can count—just as Revere does—on getting consistent quality every time you specify Bridgeport Brass Alloys. It will pay you to get the complete story. Call your nearest Bridgeport Sales Office or write us direct for a complete list of Bridgeport products—Dept. 4007.

BRIDGEPORT BRASS COMPANY

BRIDGEPORT 2, CONNECTICUT

Specialists in Metals from Aluminum to Zirconium



Investment Casting Cuts Small Part Costs

This Forming Technique Is Worth Looking at When Quantities Are Small and Designs Are Complicated

Investment casting can give you the alloy, the shape, and the quality you want in a part—and do it quickly with a minimum of tooling expense. The P. A. who practices value analysis should ask himself, "Would investment casting give me better parts at a cheaper price?" This is an area that the design engineer, primarily concerned with function, not price, cannot be expected to consider.

Investment casting, or the "lost wax" method, generally should be considered when a product is very expensive to machine and too intricate to cast by regular foundry methods. Although the process is more complicated than conventional techniques, it gives a higher surface finish and it can handle more intricate shapes. It is essentially a low volume operation.

The technique is not recommended for large parts. Size limit is about 6x6x15 in.; weight limit is about 6 lb. for heavy metals and 4 for lightweight alloys.

Investment casting offers most advantages when:

- It can eliminate expensive machining operations.
- Part can be improved by switching to a difficult-to-machine alloy.
- You can redesign several machined parts to make one investment cast part.
- Quantity is small.
- You need a few hundred parts to try before going to the expense of tooling for production.

Investment casting would not be considered for a part which will be produced by the millions. For these quantities, the high cost of producing dies for die casting or powder metal presses would be justified by the low production costs of the process.

Die costs in investment casting are relatively low (3% to 50% of press dies). This makes it ideal for a part which will not be produced in enormous quantities, or a part subject to design change.

Shape Big Advantage

Shape is an area in which investment casting has tremendous advantage over all other processes. Some intricate shapes can be produced only by investment casting. In many other cases, the part could be produced by another method, but the cost would be prohibitive. Frequently, it is possible to cut costs by combining several machined parts in one casting—especially if soldering, welding, brazing, or mechanical fastening is undesirable.

Whenever machining or other production costs are higher than usual, look into the possibility of reducing them by casting the part. Sometimes slight design changes might be necessary, but cost savings made it worthwhile.

The consideration of alloy frequently leads to the choice of investment casting. As the use of exotic, difficult-to-machine metals becomes more common, casting will replace machining on more and more applications.

Here's an example: One company's engineering department was having a difficult time getting a part to perform reliably because it required intricate machining and therefore had to be made of an easily machineable alloy. Purchasing suggested a

(Continued on pg 21, col 5)



1. WAX PATTERNS are formed by injecting wax in mold of unhardened steel, soft metal, aluminum.

2.



Photos courtesy of Nuclear Systems Division, The Budd Company

RADIOACTIVE MATERIAL is handled remotely by operator from behind three-foot thick lead-glass wall. Nilcor strips, which make quick, accurate system response possible, can be seen running vertically from pulleys just above operator's hands.



PATTERNS are combined into clusters, dipped in slurry of fine grained investment mixture and then coated with a "stucco" material.

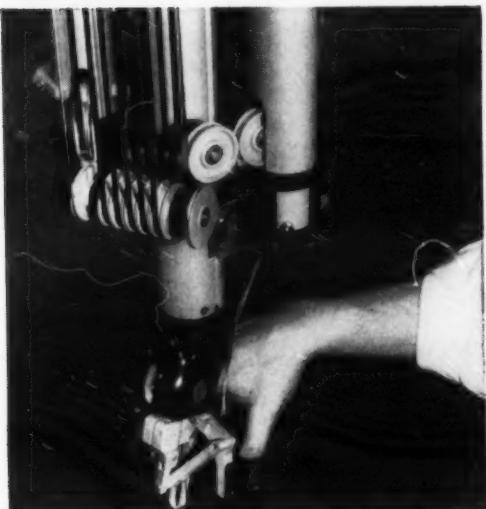


3. CLUSTERS are placed in metal flasks and the investment material is poured around. Flasks are baked to melt out wax, leaving the mold cavity.

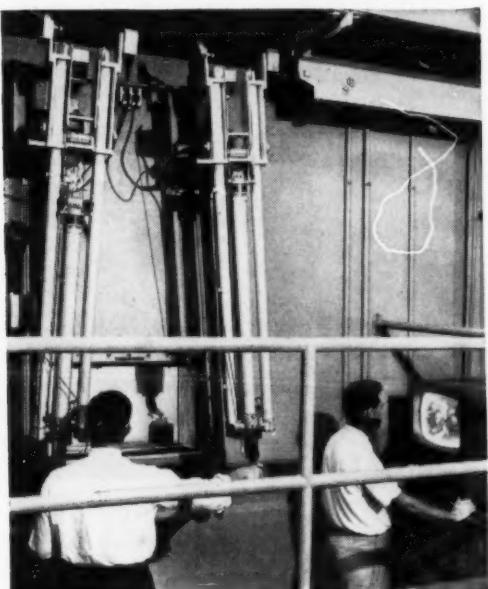


4. CASTINGS are poured on a special bench. Suction is applied during pouring to assure complete filling of the cavity. After cooling, investment is removed by vibrating hammers and the risers cut off.

SPECIAL NS-ATHENIA STEEL PUTS LIFE IN ATOMIC-AGE ROBOT



HAND MOVEMENTS at operator end of master-slave system are translated without distortion, or time lag through seven Nilcor strips (shown in photo) that travel through 15-foot belt and pulley system.



To manipulate radioactive materials with lifelike dexterity, from the other side of a three-foot thick protective wall, requires robot controls with a high degree of precision and quick response.

Ordinary cable or belt arrangements gave too much stretch between the operator's "master" hand movements and the identical "slave" movement at the other end of the system. Movements had to be translated almost instantaneously and duplicated exactly at the slave end of the system. To help solve this problem, robot system manufacturers came to the Athenia Steel Division of National-Standard to find a strip material that would serve in the belt-and-pulley arrangement of the mechanism with minimum stretch and friction and without backslashing or overshooting.

NATIONAL-STANDARD ENGINEERS at Athenia in Clifton, N. J., recommended Nilcor* strip (basically a cobalt-chromium-nickel alloy) because of its high fatigue resistance, high tensile strength and exceptionally high corrosion resistance—plus less than $\frac{1}{8}$ -inch lateral sweep per 8-foot length when laying flat without tension. Experiments with .005 Nilcor strip in the robot systems showed an 80% reduction in stretch and 90% reduction in friction over standard wire materials.

EXPERIENCED ENGINEERING HELP of this kind, for jobs requiring specialty steel and wire to meet unique applications, is available to you from National-Standard. For the many thousands of applications where only specialty steel or wire will solve the problem, let National-Standard engineers go to work for you. Write for additional information to National-Standard Company, Niles, Michigan.

OPERATOR STATION, shielded by protective wall, has television monitor screen where action inside radioactive room is reproduced as operator manipulates controls of master-slave system.

*Trade Mark

Manufacturer of Specialty Wire and Metal Products

NATIONAL **STANDARD**



DIVISIONS: NATIONAL-STANDARD, Niles, Mich.; tire wire, stainless, music spring and plated wires • WORCESTER WIRE WORKS, Worcester, Mass.; high and low carbon specialty wires • WAGNER LITHO MACHINERY, Secaucus, N. J.; metal decorating equipment • ATHENIA STEEL, Clifton, N. J.; flat, high-carbon spring steels • REYNOLDS WIRE, Dixon, Ill.; industrial wire cloth • CROSS PERFORATED METALS, Carbondale, Pa.; decorative, commercial, and industrial perforated metals.

(Continued from pg 20, col. 1)
change to an alloy which couldn't be machined, but could be (and was) investment cast.

Probably the most important single factor in reducing costs, from a purchasing point of view, is tied to tolerances. Engineers, accustomed to close machine tolerances, tend to specify them for casting dimensions, even when they are not necessary. When they do, the casting foundry can meet the specified requirements, but it means higher tooling costs, a higher rejection rate, and greater inspection time; these all add up to a higher cost per part. It is the job of the P. A. to make certain that engineering has not overdesigned the part.

The Arwood Precision Casting Corp. quotes this case. A customer through force of habit specified close tolerances on 40 separate dimensions. Some of these were not only non-critical, but in several instances the over-specified dimensions had little or no effect on the part's function. The cost per part was \$5.64.

Only 5 Dimensions Critical

Arwood's engineering department went over the design and found that the close tolerances were needed on only five critical dimensions. The cost per part dropped to \$3.24, with no loss in performance. In fact, quality improved because the foundry was able to concentrate on the important dimensions.

Investment casting tolerances are measured on a per-inch basis. The closest practical tolerance is 0.005 in. per in., while the closest economical tolerance is 0.010. The closer the specified tolerance, the more rejects and the higher the cost per acceptable piece. If closer tolerances are necessary, it still is possible to save costs by casting the part and leaving enough metal for final finish machining operations. Mechanical straightening can hold dimensions to a tolerance of 0.015 in. over a 6-in. length. It also improves flatness compared with the as-cast condition.

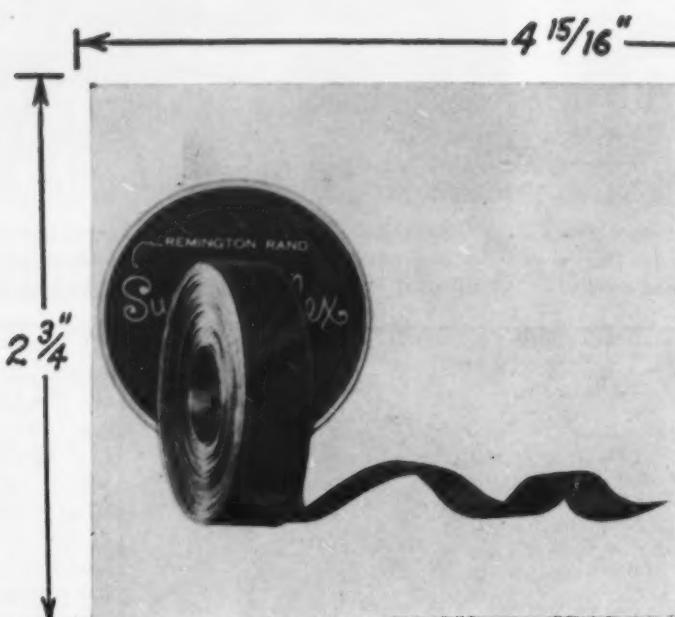
Watch Angular Tolerances

Angular tolerances should be watched closely, too. As a rule of thumb, good investment casting practice calls for angular tolerances $\frac{1}{2}$ deg. or more.

Unnecessary inspection is another cost adding factor. Why ask for and pay for inspection processes which are not necessary to insure proper performance? The P.A. can and should play a vital role in promoting cost reduction through close attention to tolerances, inspection procedures, and combinations of casting and machining.

Here's your weekly guide to . . .

Picture aids product recognition



Typewriter Ribbon

Stays Dark Longer

Nylon typewriter ribbon is said to last 40% longer than other ribbons. Use of a "crimped weave" process makes the nylon more absorbent so the ribbon will write dark for a longer period of time, instead of starting black and rapidly turning to gray.

Price: \$30 a dozen. Delivery: immediate.

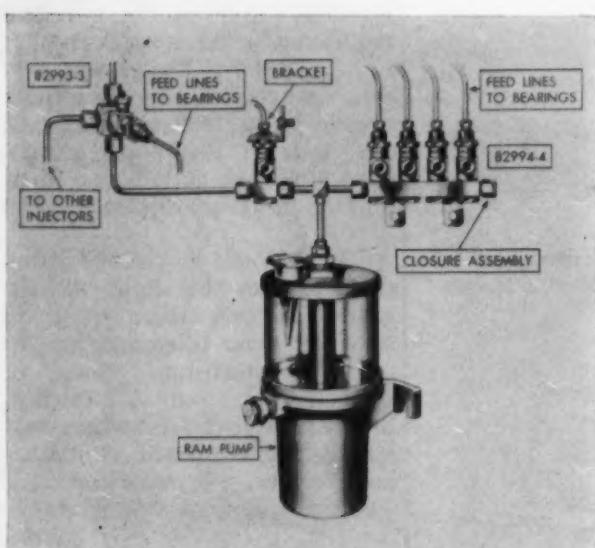
Remington Rand, 315 Fourth Ave., N. Y., N. Y.
(P.W., 7/6/59)

Size permits you to paste on 3x5 card

Copy gives only pertinent details, cuts your reading

How much it costs and how soon you can get it

You'll know when item appeared



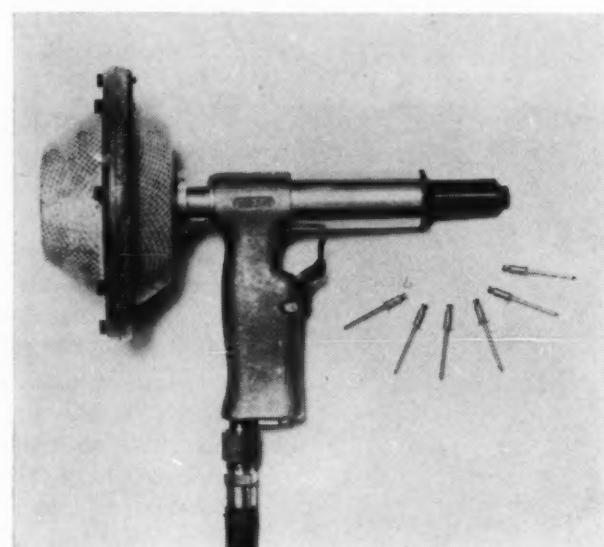
Lubricating System

Measures, Injects Fluid

Miniaturized automatic lubrication system pre-measures and injects fluid lubricants to "millionths of an ounce." The system is said to maintain a constant, uniform oil film on all bearing surfaces with no overflow or dripping. Designed for textile, metalworking, packaging machinery, etc.

Price: \$450. (average). Delivery: immediate.

Lincoln Engineering Co., 4010 Goodfellow Blvd., St. Louis, Mo. (P.W., 7/6/59)



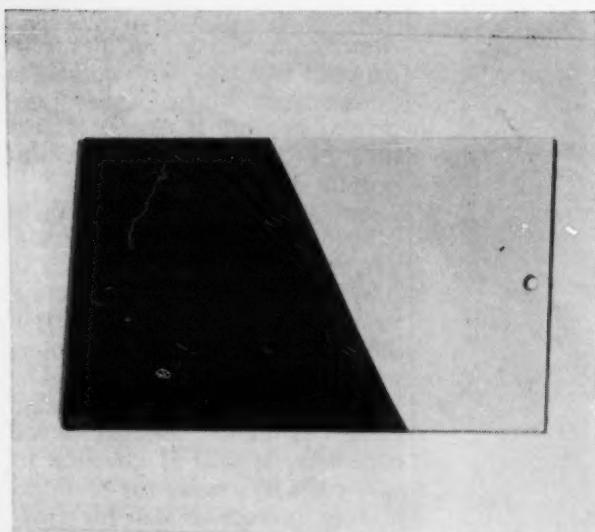
Riveting Gun

Works on Compressed Air

Lightweight riveting gun weighs less than 4 lb. and works by compressed air. Stroke is $\frac{5}{8}$ in. and pulling force is nearly 1,000 lb. Designed to pull nearly all sizes of "Pop" rivets up to $\frac{1}{8}$ in. diameter in steel or aluminum. Cycle is fast-acting.

Price: \$99.50. Delivery: immediate.

"POP" Rivet Div., United Shoe Machinery Corp., 140 Federal St., Boston, Mass.
(P.W., 7/6/59)



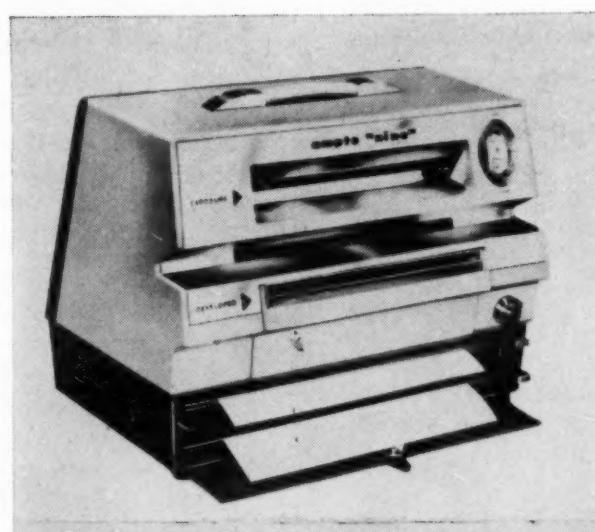
Masking Coating

Protects During Pickling

Protective coating seals metal and stainless steel surfaces against effects of pickling and plating solutions. It can be applied by brush, spray gun, dip or any other application method. It requires no mixing or additives and is safe to use.

Price: \$6.50 gal. (55 gal. drum). Delivery: immediate.

Consolidated American Services, Inc., Culver City, Calif. (P.W., 7/6/59)



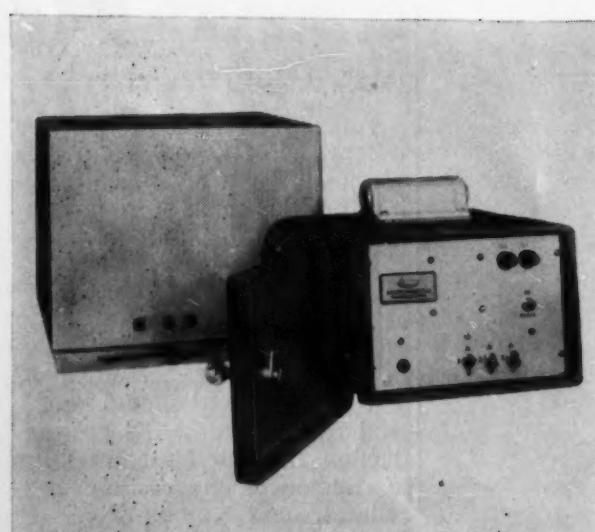
Copying Machine

Up to 9 in. Widths

Portable copying machine has built-in processing solution container, compartments for papers or film, and can be used in diffusion transfer or single sheet multiple copy process. Can handle papers and films 9 in. wide by any length.

Price: Under \$200. Delivery: immediate.

Ampto, Inc., Newton, N. J. (P.W., 7/6/59)



Carton Selector

Reads 7 Codes

Automatic carton selector recognizes any one of 7 separate printed codes. A self-contained light source illuminates a code on the carton so that it can be read by photocells. Suitable for sorting, counting, and inventory control of packaged goods on an assembly line or conveyor.

Price: \$665. Delivery: 30 days.

Atronic Products, Inc., Bala-Cynwyd, Pa. (P.W., 7/6/59)



Leak Detector

For Vacuum, Pressure Lines

Leak detector for vacuum or pressure lines consists of a controlled source of non-toxic gas (Freon 12) which penetrates the leak, and a gas sensitive flame that detects the leaking freon. The gas may be applied to the suspected area in several different ways.

Price: \$100. Delivery: immediate.

Fisher Scientific, 389 Fisher Bldg., Pittsburgh, Pa. (P.W., 7/6/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



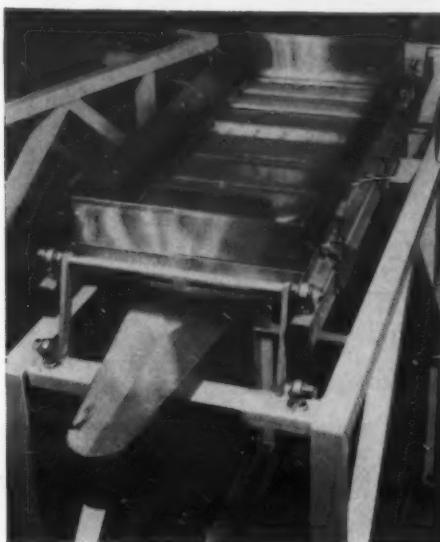
Rubber Fender

Protects Trucks, Docks

Rubber fender is designed to absorb any shock load created by a docking truck. Built with a flat base, tapered sides and rounded front, it can be installed in any position. Available in lengths up to 19 ft. for installation on wood, concrete, or steel.

Price: \$3.90 ft. Delivery: immediate.

Goodyear Tire & Rubber Co., 1144 E. Market St., Akron, Ohio. (P.W., 7/6/59)



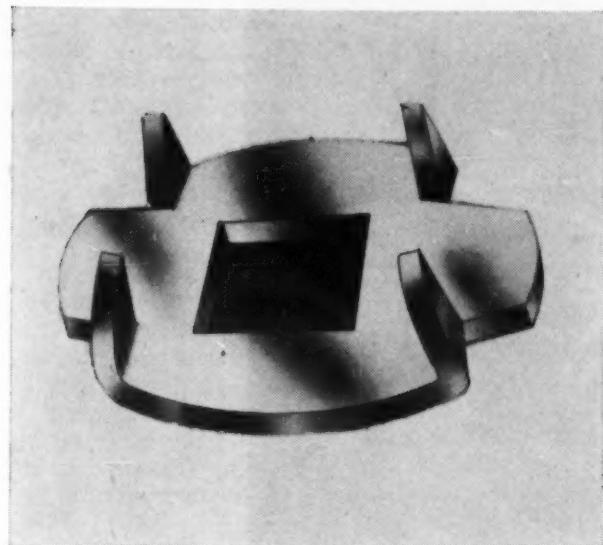
Screen Classifier

For Powdered Products

Horizontal multi-screen classifier can be used for all sizes and shapes of a wide variety of powdered products. All stainless steel construction features screen agitation for controlled retention time. 1-2-3-4-product splits without screen stacking. It gives clean, positive separation on a single horizontal plane without using rubber balls. 40 screen sizes available. Totally enclosed $\frac{1}{3}$ hp. motor is included.

Price: \$2,975. Delivery: 4 to 6 wk.

Hobam, Inc., 1720 Military Rd., Buffalo, N. Y. (P.W., 7/6/59)



Torque Washer

Holds Carriage Bolts

Torque washer fits over the square section underneath the head of carriage bolt. The four torque prongs dig into the fibers of the wood and keep the bolt from turning, permitting the nut to be removed or tightened. Available for bolts from $\frac{1}{4}$ to $\frac{1}{2}$ in.

Price: \$15 per thousand. Delivery: 3 to 5 days.

Ace Engineering Associates, Inc., 3901 Grand Ave., Oakland, Cal. (P.W., 7/6/59)



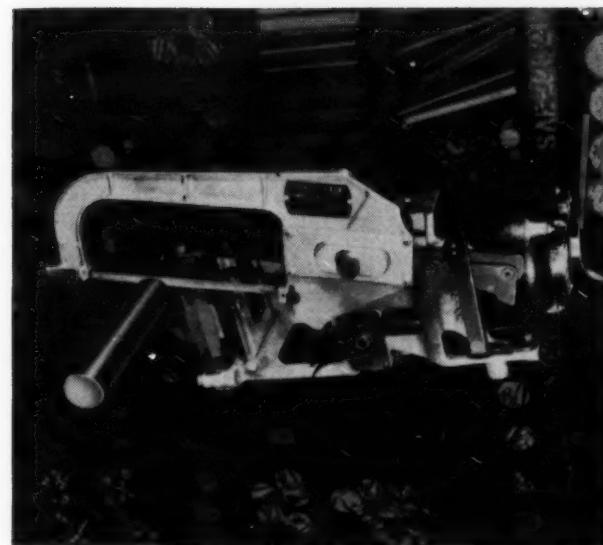
Report Binder

Features Individual Rings

Report binder has three individually operated rings to hold loose-leaf papers. Cover is a pin-seal Kroydon material and it is available with or without a panel or cut-out window in a variety of colors. Gold stamping can be obtained by special order if desired. Rings make it easy to add or remove papers from the binder when updating or revision of information becomes necessary.

Price: 44¢ (with panel), 46¢ (window) for $8\frac{1}{2} \times 11$ -in. sheets. Delivery: immediate.

Wire-O Binding Co., 200 Hudson St., N. Y., N. Y. (P.W., 7/6/59)



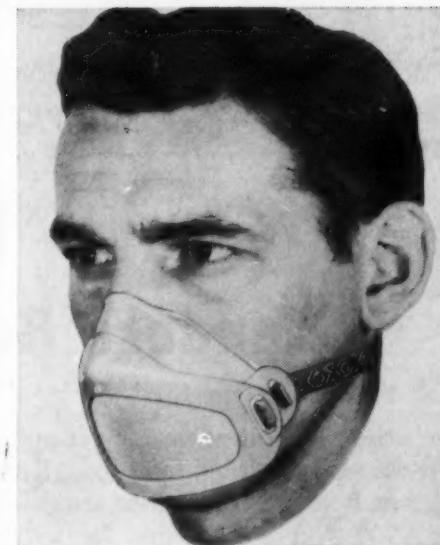
Power Hack Saw

Portable Operation

Portable power hack saw combines precision and speed. Cuts anything from thin wall tubing to 3×3 -in. steel with a tolerance of 0.005 in. It can be used in any position. Sawing pressure is fully adjustable. Saw can be clamped to work and will support itself.

Price: \$195. Delivery: 1 wk.

Lipe-Rollway Corp., 806 Emerson Ave., Syracuse, N. Y. (P.W., 7/6/59)



Dust, Paint Mask

Weighs Only 1 Oz.

Form-fitting dust and paint masks are self-adjusting to any size and shape face and weigh only 1 oz. Dust mask filters non-toxic dust as small as $1/25,000$ of an in. Latex filter is said to outwear throw-away type by more than 100 to 1. Principal difference between dust and paint masks is in the filter material. Paint mask is unaffected by solvents and will not soften, swell, or jell.

Price: Dust, \$1.35; paint, \$1.40. (Subject to quan. disc.) Delivery immediate.

Flexo Products, Inc., Westlake, Ohio. (P.W., 7/6/59)



Shims

Adjust Stripper Bolts

Ready-to-use lengthening and shortening shims for adjusting die stripper bolts (or shoulder screws) establish correct stripper plate height in seconds. Plastic case includes six most frequently needed sizes in decimal thicknesses. Smooth finish, close tolerance diameters permit precise adjustment.

Price: \$4.85 a box. Delivery: immediate.

Detroit Stamping Co., 430 Midland Ave., Detroit, Mich. (P.W., 7/6/59)

Purchasing Week Definition

Metalworking Processes

Cold heading—Forcing cold metal to flow into dies. Process forms heads on screws, bolts, rivets. Also forms other shapes for other purposes. Smooth surfaces needing no other finishing and accurate dimensions are produced. Mechanical metal properties also are improved.

Drawing—**1.** Pulling metal rod or wire through a die. The die is shaped to the desired cross-section. Drawing reduces the size and increases strength. Besides standard shapes—rounds, hexagons, flats—a wide variety of special shapes can be drawn. **2.** Working sheet metal in a press to produce cup-like shapes.

Extension—Similar to Drawing 1, except that process is applied to much thicker and heavier workpieces. Also work is pushed through die. Extrusion can be hot or cold, depending on nature of metal and shape to be produced.

Forging—Working hot or cold metal into desired shape by hammering or pressing. Closed-die forging applies force in such a way as to cause heated metal to be hammered or pressed into a cavity in a split die.

Slitting—Rotary cutters cut sheet or strip metal into desired widths. Can be ganged for multiple cuts. (P.W., 7/6/59)

Product Perspective

JULY 6-12

Researchers are busy turning up new metals and alloys. Maybe one of these is just the answer to that tough product problem:

• Sound, corrosion-resistant soldered joints in aluminum can best be made by a zinc-soldering technique. Better joints between aluminum and other metals compared with other techniques are possible. It's not a new technique. Special solders, fluxes, and procedures have slowed its use. But aluminum Co. of America feels the process is especially suited to bonding thin, complex sections such as found in heat exchangers. Alcoa predicts growing use in refrigeration, electrical, and automobile industries.

• Vanadium-boron alloy added to rimmed steel gives nonaging properties to cold rolled sheet. Only $\frac{3}{4}$ to $1\frac{1}{4}$ lb. per ton produces the effect. Rimming steel produces cold rolled strip having a surface much freer from defects than aluminum-killed steel. But a few weeks in storage causes it to age harden preventing its use in many applications where deep drawing is involved. Aluminum-killed steel doesn't age but surface quality and price advantage are sacrificed. Non-aging rimmed steel combines the best qualities of the above two types of steel. (Vanadium Corp. of America)

• Die-castable metal alloy is intended for service above 500 F. Designated HMIIXA, it contains approximately 1% thorium, 1% manganese, balance magnesium. Test bars of the new alloy exhibited average tensile strength of 30,200 psi. at 70 F., 16,800 psi. at 400 F., 12,400 psi. at 600 F., and 7,800 psi. at 800 F. Parts are currently being evaluated in aircraft and missile applications. (Dow Chemical Co.)

• New titanium alloy can be fabricated as readily as un-alloyed titanium but is said to approach stainless steel in tensile strength. 3 Al-2.5 V titanium alloy is offered in the form of small tubing which can be purchased in ductile annealed condition for easy fabrication, then heat treated to achieve high strength. Producer guarantees a heat-treated yield strength of 100,000 psi., minimum. It also guarantees a 75,000 psi. minimum yield strength and a 35% minimum flare in the annealed condition. (Superior Tube Co.)

• A new process for tin plating magnesium permits solderability. Copper plating followed by tin plating, followed by dipping in oil at 450 F. fuses the tin and bridges over microporosity in the copper. Developers claim soldering can be conventionally performed and that it is easier than on steel or copper. (Brooks & Perkins, Inc.)

• • •
Better metal-finishing tech-

niques are in the works. These are some current developments:

• A thick, two-layer chrome plate is more than 5 times as resistant to corrosion as ordinary chrome plate. Developed by Metal & Thermit Corp., the process builds up successive applications of two types of bright chrome plate. The first provides

good covering power; the second builds up chromium to a thickness of 100 to 200-millionths of an inch. Conventional plate thickness reaches about 20 millionths.

Other than adding another plating tank no change in present set ups is needed. Plating costs are higher—7¢ more to plate a high-volume part like the Ford auto bumper. But M & T says a

cut in rejects will cut or even do away with the extra plating costs.

• Thick (0.5 to 1.0 mil) aluminum coatings can be deposited on steel and aluminum castings by a vacuum metallizing process.

Such coatings are ductile, non-porous, and offer the same corrosion resistance as aluminum. Present coating thicknesses range to about 5 millionths of inch—good enough for decorative purposes, but not for corrosion protection.

Developer National Research Corp. expects the process to be competitive with electroplating

techniques. A big advantage might be the possibility of vacuum aluminizing a cheaper steel stamping to serve the same purpose as an aluminum casting. N.R.C. plans to license the process.

Other vacuum coating developments by N.R.C.: A variable thickness aluminum coating passes oblique sun rays near the edge of acrylic skylights but stops direct rays around the center; research is aiming at vacuum-deposited printed circuits that would include transistors, condensers, resistors, etc.



Cut tooling costs with **MALLORY** Standard Resistance Welding Holders

Here's the economical way to get quick changeovers of resistance welding set-ups. Kits of Mallory standard holder components are available to make over 1000 different set-ups for welding jobs that might otherwise call for custom-made holders.

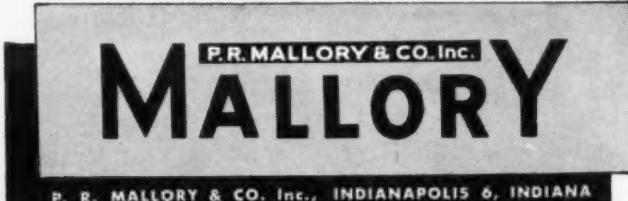
You just put together the head, barrel and adapter that you need for the job on hand. All parts are interchangeable. Tooling can be switched in minutes.

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ponents best suited for your specific production problems. He'll welcome the opportunity, too, to show you how you can put new economy in your purchasing of resistance welding electrodes by choosing from the line of over 200 standard Mallory electrodes . . . a broad variety of straight, single-bend, double-bend and irregular shapes, all available from stock at economical prices.

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This Changing Purchasing Profession . . .

Blaw-Knox Promotes 4 On Its Purchasing Staff

Four members of Blaw-Knox Co.'s purchasing staff have been promoted. **William G. Blessing**, formerly purchasing agent, Foundry & Mill Machinery Group, has been made director of purchases for the Pittsburgh firm.

Bernard R. Lauer and **Wayne Rawley, Jr.**, have been advanced from staff purchasing agents to assistant directors of purchases.

Purchasing of the Aetna Standard Division has been consolidated into the Foundry & Mill Machinery Group and **Cal R. Wood** named purchasing agent for the group. Wood had been purchasing agent of Aetna Standard.

Ralph W. Myers succeeds **John G. McNeely** as vice president and director of purchases, **C. G. Hussey & Co., division of Copper Range Co.**, Pittsburgh. McNeely has been made vice president and director of sales. Myers formerly had been vice president in charge of special products.

Allan M. Fox, director of purchasing for **Benrus Watch Co., Inc.**, has also been named a vice president of the New York firm.

Donald L. Stone has been promoted from buyer-in-charge to resident purchasing agent for the



W. G. BLESSING

Columbus, Ohio, plant of Western Electric Co.

Thomas F. Haskins, supervisor of the accounts payable department, has been named senior buyer of **Rockwell Mfg. Co.'s** general purchasing department, Pittsburgh.

Louis P. Romano has been appointed purchasing agent for the **Colorado Department of Highways**, Denver, succeeding the late **Henry W. Thome**.

Wilfred H. Best succeeds **I. C. Hartzell**, who retired, as manager of material control and purchasing, **Frigidaire Division, General Motors Corp.**, Dayton, Ohio. **Joel T. Heavin**, director of purchases under Hartzell, becomes purchasing agent reporting directly to the division's general manager.

Fred A. von Kaas has been appointed purchasing agent, the **Permutit Co.**, a division of Pfau-ler Permutit, Inc., New York.

Bernard R. Beamish succeeds **Fred M. MacGregor** as director of purchases, **DCA Food Industries, Inc.**, New York. MacGregor is retiring after 15 years' service.



B. R. BEAMISH

Until recently Beamish was managing director of DCA Industries, the company's English subsidiary.

Robert A. Skead, P.A. at the Staunton, Va., plant of **A. S. R. Products Corp.**, N. Y., has been appointed marketing coordinator.

Leland A. Pressler has been promoted from purchasing clerk to buyer by **California Spray-Chemical Corp.**, Richmond, Calif.

C. H. Rocha, Lockheed Aircraft Corp., is enjoying a double-header celebration. He has been moved up from purchasing agent for the Marietta, Ga., Division of the Burbank, Calif., firm to assistant director of materiel. Rocha also recently completed 20 years service with the company.



C. H. ROCHA

Sam Lile Smith has been advanced to purchasing supervisor on the corporate purchasing staff of **Chemstrand Corp.**, Decatur, Ala. He had been purchasing expeditor for the firm's Acilan acrylic fiber plant.

Obituaries

Henry W. Thome, 51, purchasing agent for the Colorado Department of Highways, Denver, died May 27. He was with the Department 29 years and in July 1955 received its "Man of the Month" award.

Frank W. Paape, 69, a former purchasing agent for A. O. Smith Corp., Milwaukee, died May 30. He worked for the firm 37 years before retiring last year.

Rex M. Price, 62, district purchasing agent for the Aluminum Co. of America died June 14 at his home in Glendale, Calif.

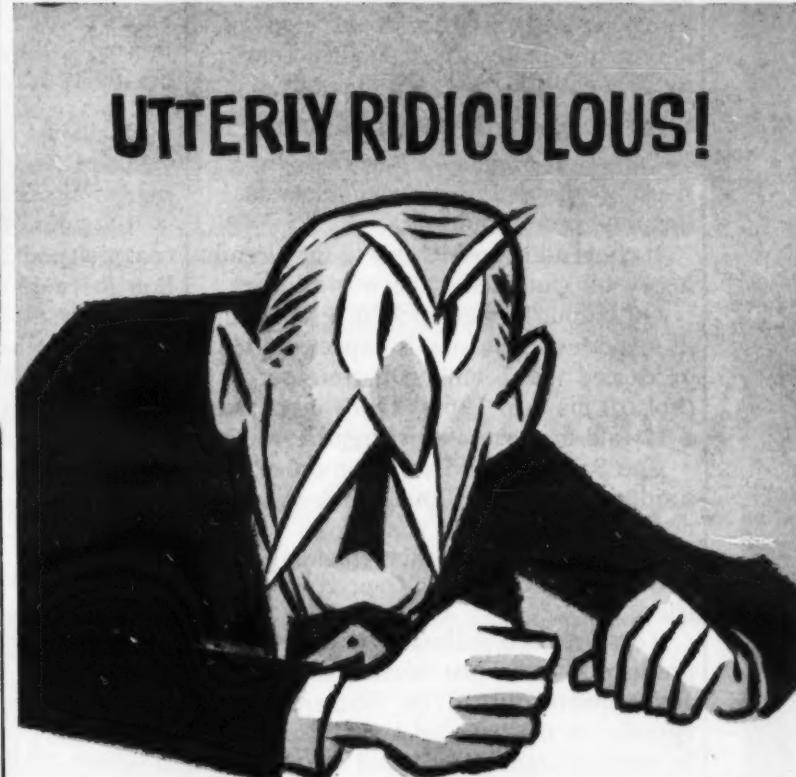


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And you will appreciate their rapid installation that saves hours of production time... and, of course, their low cost!

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The quality line—of rigid acetate...tough, non-brITTLE, impervious to petroleum-base oils and greases, outstanding impact strength.



The economy line—of elastoplastic vinylite...a "non-slip grip" for rapid installation and removal, a "stay-put fit."



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6486-A

Foreign Perspective

London—By fall, British economic recovery should be fairly complete. That's the latest reading based on the way United Kingdom trade figures have been holding up and unemployment figures have been sliding down.

For industrial buyers that's a signal to expect firmer raw materials prices in the months ahead. It will be a gradual edging upwards as demand rises, according to commodity sources here; but this does not mean markets can be expected to lose any of their notable sensitivity. Recent events are typical:

- **Copper, reflecting nervousness to U.S. stockpiling policy and labor problems, recently fell to its lowest point in months.** But Britshers nevertheless expect copper to start climbing again once temporary factors are submerged by the sustained impact of Western recovery.

- **Lead and zinc continue on divergent ways with zinc holding up far better than its sister metal under steadily rising demand.**

- **Tin demand moved prices up under pressure of American steel stockpiling, but producers consider the outlook to continue fairly rosy.** In fact, the British government decided last week now is the time to start disposing of 2,500 long tons from its stockpile. Starting July 1, the metal will be released through the International Tin Council. Another 2,500 tons due to be released from the British stockpile also was scheduled for sale, starting next Jan. 1.

Summing up, the British anticipate occasional sharp setbacks in the weeks and months ahead; but the over-all picture is basically bright with plus signs predominating in brisk commodity dealings by year-end.

• • •

Paris—A tremendous increase in petroleum production is being planned by the franc-zone countries.

It could add considerably to the already heavy oil glut facing the world.

Oil output in metropolitan France and its overseas territories is expected to hit or exceed the 1 million barrels per day (bbl./d) mark in 1965. That's more than a 12-fold increase over current levels.

The Sahara would supply most of this production, or 920,000 bbl./d. Another 60,000 bbl./d would come from Metropolitan France, and the remaining 20,000 bbl./d from other franc-zone countries.

These revised estimates of French oil production have just been made by the government's Bureau De Recherches De Petrole, on the basis of latest discoveries in metropolitan France and the Sahara. New production estimates for the next few years are as follows:

1959:	70,000-	78,000 bbl./d
1960:	240,000-	260,000 bbl./d
1962:	440,000-	520,000 bbl./d
1963:	700,000-	880,000 bbl./d
1964:	860,000-	1,020,000 bbl./d

A minimum of 1 million bbl./d is anticipated for 1965 with the official range: 1 million to 1.14 million bbl./d.

• • •

Bonn—Both pig iron and crude steel production of the European iron and coal community countries (Germany, France, Italy, Benelux) are finally on the up-swing again.

Due to low production during the first quarter, total output during the first five months 1959—24.42 million tons crude steel and 18.19 million tons pig iron—is still 2.5% and 1.9% respectively below last year's level. But April and May production was up about 5% compared to 1958.

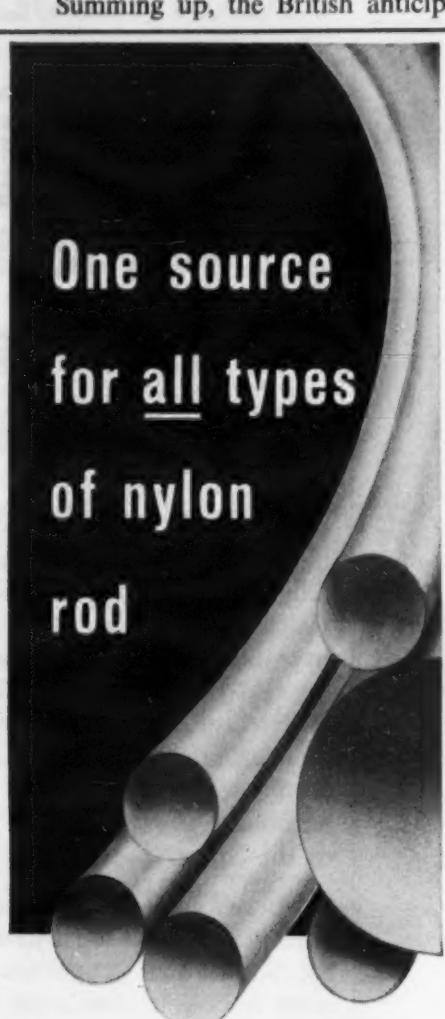
In comparison, Soviet Russia enjoyed a 9% and Czechoslovakia a 10% steel production increase during the first three months of this year.

Soviet Russia produced 14.5 million tons of steel, (300,000 tons more than the iron and coal community countries) and the satellite countries 4.6 million tons steel during the first quarter.

• • •

Beirut, Lebanon—Iraqi decision to withdraw from the sterling area has its roots in a mixture of economic and political considerations.

And as might be expected most of



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JULY 6-12

these considerations have to do with oil.

Iraqi economists point out their earnings from oil in sterling exceed Iraq's annual need of sterling for transactions.

For this reason there has been increasing pressure in Baghdad to ask payment of Iraq's share of oil royalties in specified currencies other than sterling.

That's not to say Iraqi economists do not know their sterling earnings from oil are fully convertible into gold or any other currency. They do. The trouble is that they are afraid of the future. They are afraid that any future Iraqi move—economic or political—which may be interpreted anti-British or anti-Western (such as nationalization of the oil industry) could drive Britain to freeze Iraq's sterling earnings and bank balances.

Iraqis remember that this is exactly what the British did to Nasser's sterling balances after the Suez Canal nationalization in 1956. That's why they are too anxious to "free" their currency.

• • •

Bucharest—East European nations as well as Russia are turning to the West for industrial plant construction.

Rumania, for example, has just recently signed 2 contracts totaling \$35 million for new factories.

The first, signed about 2 months ago with an English firm, calls for an outlay of some \$14 million to put up a paper and cellulose plant.

A second, also with a British firm, involves spending \$21 million for a tire-manufacturing plant.

French Order 27 Helicopters From U. S. for Use in Algeria

Paris—The French government, because of urgent and imperative operational needs in Algeria, has decided to purchase additional quantities of heavy helicopters in United States.

The new order covers 27 helicopters, plus spares, at total cost of some \$13 million. The French Air Force will get 19 Sikorsky H-34's while the French Army will take eight additional Vertol H-21's.

U.N. Study Forecasts Steady Economic Upturn for the West

United Nations, N. Y.—The United States and other Western nations are riding a general economic upturn which will continue for some time, a United Nations economic study forecast last week. But the report warned that the continuing pace might soon slacken somewhat from the early phases of the 1958 recession snapback and probably would not equal the post 1953-54 recession upswing.

The world business outlook was based on information supplied by various U.N. members and compiled by the U.N. Department of Economic and Social Affairs. It noted that the industrial capacity of the United States, Canada, and other Western European nations far exceeded output in the first quarter of 1959, reaching only 70-80%, and commented that during the next few years only the level of demand will limit the rate of economic expansion.

Discussing the recent flow of gold from the United States, the U.N. economic experts concluded "the prospect of any danger to the United States economy . . . seems rather remote." They noted that U.S. gold supplies still total more than half the monetary gold existing outside the Soviet Union and said that U.S. gold deficits have occurred in trade with Western European nations which traditionally are inclined to take payments in gold rather than dollars.

Alcoa and Imperial Chemical Form British Aluminum Firm

London—Aluminum Co. of America, which lost out to Reynolds Metals in its first attempt, finally has found an international partner to help expand the world market for aluminum. Alcoa and Britain's massive Imperial Chemical Industries, Ltd., joined forces last week in a plan to set up a new aluminum fabricating company—Imperial Aluminium Co., Ltd.

Imperial Aluminium, headquartered in Britain, will begin operations Aug. 1 under present plants, utilizing I.C.I.'s recently modernized aluminum rolling mill and extrusion plant in South Wales.

Alcoa, already the world's largest producer of primary aluminum and wrought aluminum products, thus assured itself of a potential new market after a temporary setback last year when it tried to acquire a one-third interest in British Aluminium, a large aluminum fabricating company.

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This transparent plastic parts box provides the most versatile system of small and medium parts storage and inventory ever designed. You can SEE every item at all times. The box can be carried to the workbench. Contents are protected from dust and moisture by the airtight lid which serves as a shallow tray when inverted. Each box stacks easily in the indented lid of the box below.

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Mining Bloc Strengthens Drive for Support

Washington — The congressional mining bloc has moved again to strengthen its drive toward new government support for metal and mineral markets which domestic producers feel are not sharing in the general industrial upturn.

Front runners in the push for stepped-up Washington aid are lead-zinc mines. On the Senate side, they are behind a move in the making to win Finance Committee backing for a third investigation by the Tariff Commission of foreign import competition. If approved, as Western senators say it will be, this directive would once again result in a commission recommendation for "peril point" tariff protection for domestic output.

As a maneuver toward this

goal, more than 20 senators from mining states have co-sponsored a bill introduced by Senators James Murray (D., Mont.) and Gordon Allott (R., Colo.) to set 15½¢-per-lb. domestic level on lead, and 13½¢-per-lb. rates on zinc as the point below which a 4¢-per-lb. import tax would be slapped on competing imports.

The Senate mining bloc is not sanguine of its chances of passing this measure. But if the Tariff Commission arrives at a similar recommendation—as the three Democratic members did last

year—the legislation will serve as an ace-in-the-hole to persuade the White House to accept the commission's recommendations.

Domestic producers' hope is that this protection would be adopted to replace the present import quota restrictions recommended last year by the Republican half of the Tariff Commission and approved by President Eisenhower.

Meanwhile, Rep. Wayne Aspinall (D., Colo.), chairman of the House Interior Committee has introduced a similar bill

which would set import quotas on the same basis of domestic price levels.

The House committee last week also began hearings on a much broader investigation of over-all government mining policy. They were called by Aspinall to review the domestic economic health of producers of a long list of metals and minerals, including beryl, cobalt, columbium-tantalum, chromium, fluorspar, lead, tungsten, zinc, and others.

As still another arm of the same effort at trade protection, domestic miners of cobalt, fluorspar, and tungsten are pressing the office of Civil and Defense Mobilization for a ruling on their

petitions for import protection on grounds of national security under Section 8 of the Reciprocal Trade Agreement Act.

Domestic fluorspar producers, meanwhile, have still another iron in the fire. This is the Murry-Allott bill reported out last week by the Senate Interior Committee to set up import quotas on this mineral similar to those provided by the existing Sugar Act. The legislation would provide for allotments of a share of the U. S. Markets, splitting it 50-50.

Aluminum producers also are reported to be pushing a similar proposal for import protection, to be introduced by Sen. Vance Hartke (D., Ind.).

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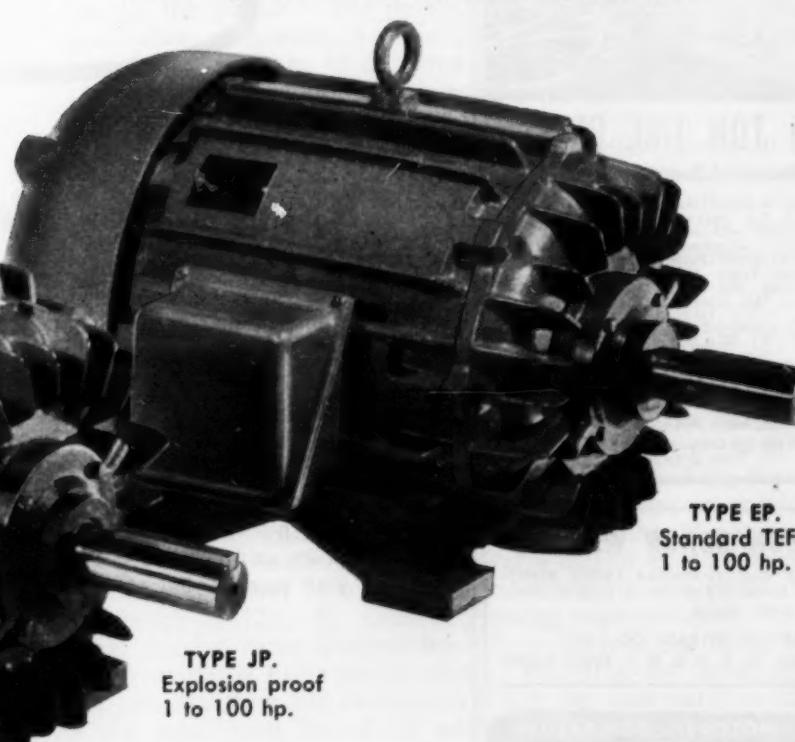
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Commercial Isotope Encapsulation Handled at Picker Research Center

Cleveland—With industry awakening to the money-saving potential of radioisotopes, Picker X-Ray Corp. has opened a research center to keep up with demand for this new industrial tool of the Atomic Age.

The \$1 million center is one of the largest commercial encapsulation points for industrial and medical users. Capable of encapsulating up to 1 million curies of Cobalt 60, the lab is designed to permit extensive research and development on processing, packaging, and uses of isotopes.

Speaking at the center's dedication, Dr. Paul C. Aebersold, director of isotopes development for the Atomic Energy Commission, said use of radioisotopes has the potential to save U. S. industry billions of dollars a year.

"Even today the savings to industry offered by radioisotopes are estimated at hundreds of millions of dollars a year," Aebersold explained.

Industry Slow

"Because this amazing research tool is still relatively new, industry has been rather slow in recognizing the almost limitless benefits isotopes offer. Actually, the only limiting factors are man's imagination and interest in the development of new uses. Anyone familiar with technical matters and with flexibility of radioisotopes can think of dozens of undeveloped uses," Aebersold emphasized.

Picker's center is the first megacurie-level cell to store, process, and ship Cobalt 60 and other isotopes since the A.E.C. announced discontinuance of encapsulation service for commercial uses effective in March 1958. A curie is the amount of radioactive material required to produce the same amount of radiation per second as that produced by one gram of radium.

→
PROTECTION against gamma radiation at the new Picker X-Ray Corp. research center is illustrated by this temporary opening in the 66-in.-thick wall. The technician here is preparing a "hot pot" cage for a irradiation unit. Later, the device will be loaded with Cobalt 60 for irradiation studies.



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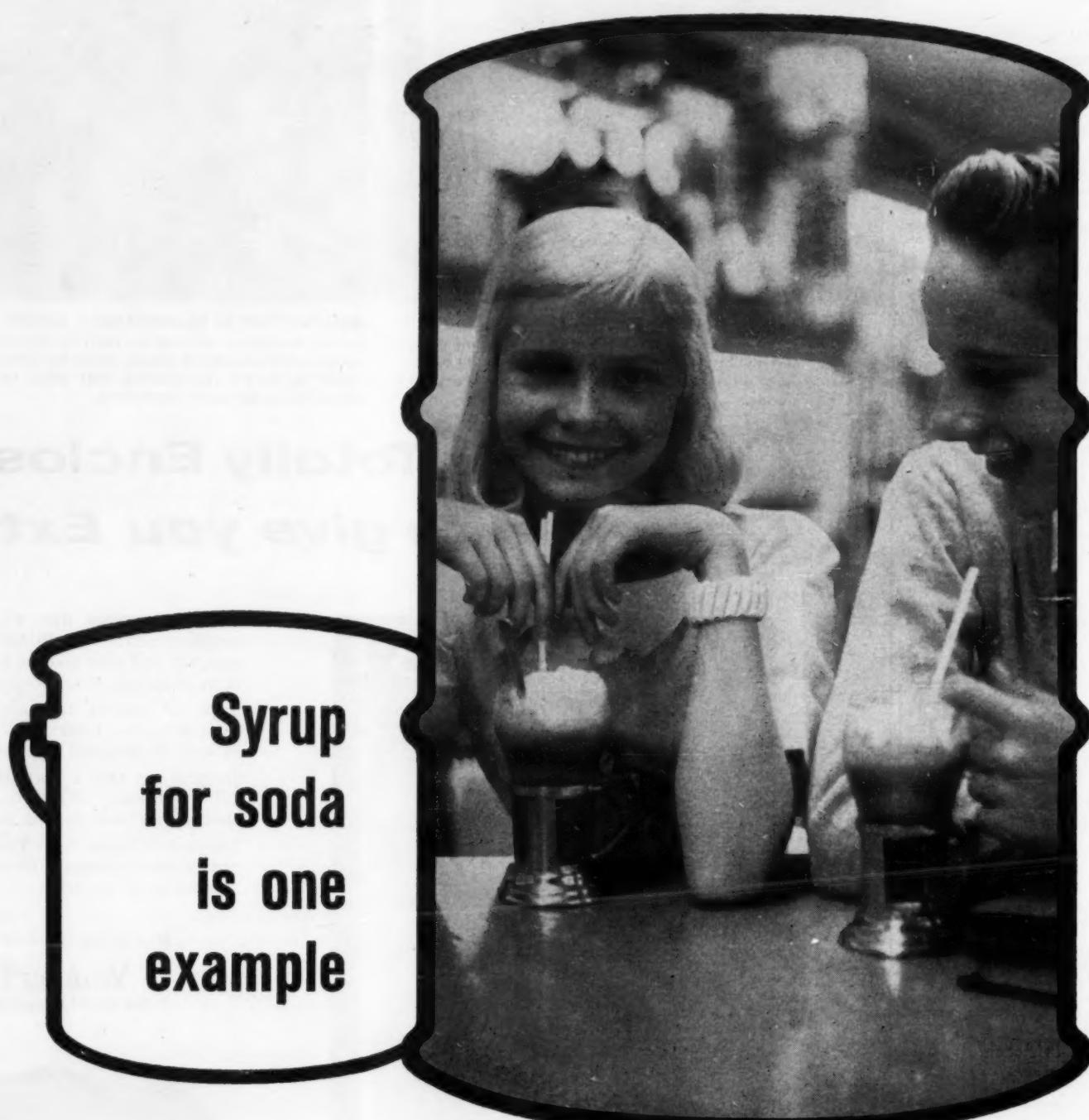
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United States Steel Products

Division of

United States Steel



This Week's

Purchasing Perspective

JULY 6-12

(Continued from page 1)

'60 if steel holds, but if steel rises as much as 3% or 4%, "I expect prices in our industry will rise as much as 5%."

Bearings also are listed by some sources as a product which would be quick to duplicate any steel price rise. Materials handling equipment firms in the Chicago area expressed more of the follow-the-leader tendency. One said: ". . . A steel price hike (atop all the latest product improvement costs) would definitely mean higher prices for our products within two or three months."

General metalworking jobshops, in areas which have been hit by a boom, also cited anticipated price boosts—but for another reason: Engineering and precision going into the new jobs call for higher tags.

Efforts to boost minimum wages are being watched in the electronic industry. A boost to \$1.50 an hr. from the current \$1.20 has been proposed under the Walsh-Healey Act. Congress also is debating whether to increase the minimum wage scale on an across-the-board basis nationally. One Southern supplier of electronic test equipment said either or both of those proposed wage boosts could boost his equipment prices by as much as 5%.

• • •

But most of the price comments heard by PURCHASING WEEK over the past few days centered on the outcome of steel negotiations. Stauffer Chemical Co. on the West Coast sees little change in raw material or transport costs, but anticipates increases in maintenance and repair items. This outlook was accompanied by the observation it probably would be largely a matter of sellers taking advantage of a settlement and using it as an excuse even though there may be no direct connection.

• • •

On another price front, aluminum is in its own private sweat, trying to decide when, where, and how much—with lesser emphasis on "if."

Kaiser Aluminum's chief executive officer, D. A. Rhoades, reviewed the domestic aluminum industry's price worries for PURCHASING WEEK last week. Emphasizing the "adverse effect" imposed on earnings along with vital research, development, and promotional programs by failure to regain fully the April 1958 competition forced 2¢ a lb. reduction, Rhoades concluded: "It is our hope that price restoration and adjustments will be forthcoming in the near future to enable us to intensify our efforts in these directions, and at the same time earn a more adequate return on our investment."

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Rayon Textile Yarn, Dupont, special plush, lb.	.03	.81	
75 Denier, lb.	.04	\$1.14	
450 Denier, lb.	.03	.69	
Fuel Oil, No. 2, Gulf Coast Refin., bulk, gal.	.0025	.0813	
Gum Turpentine, South, gal.	.0025	.5475	Demand strength
Cadmium Oxide, 5,000-lb. lots, lb.	.10	\$1.30	
Gasoline, Gulf Coast terminals, 93 octane, cargo, gal.	.0025	.1075	
Bunker Fuel Oil, Harbor Island, Texas, bbl.	.10	\$2.20	
Platinum, works, oz.	\$1.00	\$76.00	
Petit Grain, kilo.	.35	\$5.15	
REDUCTIONS			
Clove Leaf Oil, lb.	.05	\$1.40	
Menthol, Brazilian, lb.	.15	\$6.25	
Peppermint Oil, natural, lb.	.20	\$3.80	
Redistilled, lb.	.10	\$4.20	
Yttrium Oxide, Nuclear Corp. of Am., 99% Pure, 10 gm.	\$1.50	\$3.00	
100 gm.	\$15.00	\$20.00	
Praseodymium Oxide, Nuclear Corp., 99% pure, 10 gm.	\$2.00	\$2.00	
100 gm.	\$5.00	\$15.00	
Neodymium Oxide, Nuclear Corp. 99% pure, 10 gm.	.50	\$1.50	
100 gm.	\$2.00	\$10.00	
99.9% pure, 10 gm.	\$2.50	\$2.00	
100 gm.	\$5.00	\$15.00	
Silastic-R, LS-53, Dow Corning, lb.	\$3.50	\$16.00	
Gypsum Wall Board, U. S. Gyp., 1/2-in., Nev., Cal., mftbm.	\$3.00	\$39.50	
5/8-in., Nev., Cal., mftbm.	\$1.00	\$34.00	
Gypsum Lathe, U. S. Gyp., 3/8-in., Nev., Cal., sq. yd.	.009	.2295	
Marine diesel fuel, med., Esso Exp., Mobile, bbl.	.25	\$4.01	
Chicago, bbl.	.536	\$4.074	
Myrobalsan, J-I, ton.	\$3.00	\$42.00	
Crushed, ton	\$5.00	\$63.00	
Spruce Oil, lb.	.15	\$2.35	Stock unloading
Gasoline, reg., tankwgn., Springfield, Worcester, gal.	.005	.152	Heavy stocks
Boston, Providence, gal.	.005	.144	Heavy stocks
Copper, Custom Smelters, refined, lb.	.005	.30	Record stocks
Cottonseed Oil, Valley, lb.	.0013	.13	
Fluoroalcohol, DuPont, C3, C5, C7, C9, C11, lb.	\$25.00	\$10.00	Mfg. Economies
Fuel Oil, No. 2, Mid-Continent, Northern Ship, gal.	.0025	.0875	
Anti-Freeze, Zerex, DuPont, gal.	.86	\$2.39	Mkt. Competition

G.S.A. Asks Disposal Of \$1.5-Million Worth Of Platinum Metals

Washington—Stockpile disposal of \$1.5-million worth of zirconium and the platinum group metals—osmium, rhodium, and ruthenium—has been requested by the General Services Administration.

This amount of the materials was declared surplus by Office of Civil and Defense Mobilization, but the request must be approved by Congress. Last week a House subcommittee gave its okay, clearing the approval for a long legislative road through the House and Senate.

G.S.A. also asked permission to dispose of \$2-million worth of gem diamonds seized recently by Customs Bureau for illegal entry and which the agency had been holding in the stockpile because of their possible industrial usability.

Farm Surplus Barter Seen Moving Slowly

Washington—Barter deals involving the exchange of U. S. farm surpluses for strategic materials produced abroad are expected to move slowly in the months ahead. The National Agricultural Advisory Commission, which met here at the end of June, recommended to Agriculture Secretary Ezra T. Benson that there be no expansion in such trades, particularly with Western European countries.

The departmental advisors argued that improved economic conditions throughout the world put the U. S. in a better spot to make dollar sales for farm products. Benson said he would take the recommendations into consideration.

The barter program in the past has seen sizable quantities of farm products exchanged for minerals, chemicals, and other industrial products.

New G.E. Thin 'Quartzline' Lamp Developed for Industrial Application

Cleveland—A new lamp that watt for watt is said to give the smallest, brightest most efficient lighting source yet developed was recently announced by General Electric Co. In addition to these lighting properties, "Quartzline" lamps are long-lived.

The new series of lamps is likely to find wide industrial application, both in general high-bay plant lighting and in special applications where a high-intensity light is needed. Final prices haven't been announced but it is expected that the new lamp will cost two to three times as much as a standard lamp of the same wattage, although G. E. says it will last two to three times as long.

Because the lamp is basically an incandescent, there is no color problem like that presented by mercury lamps. It works on standard 110 or 277-v. current and no supplementary equipment such as ballasts or transformers is needed. Several fixture manufacturers are now at work developing special small fixtures for the lamp.

500-w. and 1,500-w. sizes will be available first. The 500-w. lamp is 4½ in. long and operates on 120 v., producing 50,500 lumens. The 1,500-w. lamp is 10 in. long and designed for 277-v. operation at 33,000 lumens. Its total volume is only ½ of 1% of the standard 1,500-w. bulb now used by industry. Samples of the 500-w. lamp will be available next month and quantities should become



TABULAR "quartzline" lamp (on right) gives same light as old 1,500 w. bulb, never blackens.

available later on this summer.

Rated life of both lamps is 2,000 hr., double that of their general service counterparts. The iodine cycle they use enables them to maintain 99% of their initial light output throughout their lives. The iodine cycle is a regenerative, continuing process which catches the particles of tungsten that evaporate from an incandescent lamp filament and actually puts them back on the filament before they can cause lamp blackening.

As the tungsten iodine compound circulates back into the area of the incandescent filament, the filament's great heat frees the tungsten from the compound, leaving the iodine free to start the cycle again. Heat generated by the lamp was too hot for an ordinary glass envelope and a special quartz case had to be designed.

General Electric expects to market additional wattages within the next year.

New Pricing List For Copper Mills

(Continued from page 1) possibility of higher prices resulting from the new schedule of extras, the Chase spokesman admitted the company planned "similar revisions in extra charges."

A spokesman for Bridgeport Brass Co., Bridgeport, Conn., told PURCHASING WEEK that "we had been planning to do the same thing anyway, only Revere beat us to the punch." He pointed out that customers had been urging the industry to do something about the outdated pricing system for some time.

A recent PURCHASING WEEK survey on the need for more simplified pricing structures in some industries (see P.W., Apr. 27, '59, p. 1) listed the pricing of copper products as one area denounced by P.A.'s for its many headaches.

Two other firms which said they would follow suit were American Brass Co., Waterbury, Conn., and the Riverside Alloy Metals Division of H. K. Porter, Riverside, N. J.

Revere spokesman said savings possible under its changes could range from 1¢ a pound to as much as 12¢. He explained that present extra charges have been outdated by modernization in mill practices and production. "We have been forced to add percentage increases to many extras which only caused more confusion," he said. "Now, all extras will be subject to discounts rather than to additions."

Washington—The matter of how much rate making freedom Congress provided in the Transportation Act of 1958 was laid squarely in the lap of I.C.C. last week. The Eastern railroads are forcing a test of the law in a case involving reduced rates for hauling paint.

In an effort to regain a larger chunk of the paint hauling business, the rails want to chop their revenue after costs by around \$50 to \$60 a carload for hauling the commodity. Long range, the rails say, they will gain up to a \$1-million a year in revenue by luring more of the business away from truckers.

The railroads cite the Transportation Act of 1958 as the authority for making the cuts. A provision of the act provided that the I.C.C. should not reject low rates merely because they would have an adverse effect on competing transportation. And, shippers are backing the rails up.

The truckers, however, argue that the new rates would only lead to rate wars, that they would also cut rates to meet the competition and it would not realign any traffic.

It is now up to the full I.C.C. commission to settle the issue.

Grand Jury Probing Identical Bids In Electrical Equipment Industry

(Continued from page 1) over to the grand jury, gathered by anti-trust probbers after many months of investigating, was expected to give the full price picture on:

Power transformers; distribution transformers; transformer bushings; current transformers; auxiliary transformers; circuit breakers; insulators; lightning arresters; carrier communication equipment; carbon electrodes; and condenser tubing.

Maher said T.V.A. was "co-operating fully" in the investigation, expected to be one of the biggest antitrust battles in recent years. T.V.A. disclosed recently it had received many identical bids from electrical equipment manufacturers, some of them matching to a hundredth of a cent (see P.W., June 1, '59, p. 1).

Kefauver Enters Picture

Sen. Estes Kefauver (D., Tenn.) already has declared he will bring the matter before his Senate Anti-Trust & Monopoly Subcommittee as another phase of his continuing series of hearings into "administered prices."

But Kefauver now will have to wait until the grand jury investigation concludes, since by law no subpoenaed witnesses—in this case the electrical manufacturers—may discuss their testimony elsewhere.

While Maher would not dis-

close the names of the companies involved, he indicated they included almost every manufacturer of transmission equipment in the country.

A spokesman for General Electric Co., told PURCHASING WEEK, that G.E. has been subpoenaed by the grand jury and is "cooperating fully with the investigation."

Raymond W. Smith, vice president and general manager of G.E.'s Transformer Division in Pittsfield, Mass., in an earlier discussion of identical bid charges, had commented:

"Most of the items listed covered purchases of standard shelf goods equipment in varying quantities, unit prices of which are listed in our handbooks which are in the hands of our sales people in the district and also in the hands of our customers."

The prices quoted were directly from these handbooks, and since for equipment of this nature the prices of most companies tend to seek a level which represents the price the customer is willing to pay for the service, it is not at all unusual that identical prices would be quoted by competition."

Maher explained that the investigation is being conducted in Philadelphia because it is centrally located to many of the electrical manufacturers involved.

2-Week Steel Strike Delay Termed Anti-Climax to Well Stocked Buyers

(Continued from page 1) expected to carry through a 60-to-90 day walkout, many buyers queried by PURCHASING WEEK said they expected to benefit but little because July orders were based principally on the basis of normal expected consumption rather than stockpiling needs.

Steel consumers and many mill spokesmen in major producing centers expressed a strictly "ho-hum" attitude, indicating a general relaxing of tension and fear about the still-threatened walkout on the strength of preparedness attained during the wild first-half production buildup.

A number of purchasing executives said the extension of negotiations had changed their thinking about the "inevitability" of a lengthy steel strike.

A new danger developed, however, in the production cut-offs caused by wildcat walkouts which mushroomed early last week. Failure of deliveries due to the shutdown could upset the plans of some industries which had difficulty anyway in building strike backlogs because of increasing production demands and which had planned their July ordering on the basis of current rather than stockpiling requirements.

The fact that a number of steel mills last week scheduled vacation shutdowns further supported a feeling that the industry felt its hand was stronger than ever for a showdown.

A number of purchasing ex-

ecutives told PURCHASING WEEK they welcomed the strike decision delay because it would enable them to receive June shipments which otherwise would not have beaten the original crucial July 1 date. Others said the two weeks would enable them to "even out inventories" and strengthen special product backlog but otherwise would do little to raise the general level of their backlog.

But there was a chance that many P.A.'s in that category would be no better off anyway. The wild-cat strikes which swept the steel industry last week closed down vital mills despite the efforts of U.S.W. President David J. McDonald and other union officials to keep production men on the job.

The delay in the contract deadline hit this town with a dull thud," one steel industry observer said in Pittsburgh. "Buyers and mills around here just aren't worried anymore. The customers have what they need in most cases, and the mills know it."

Betting odds on whether there would be a steel strike dropped to 2-to-1 in Pittsburgh although for the most part, you still could get takers up to the 10-1 category without much trouble. A feeling still prevailed that there still could be at least a short strike despite the apparent weakened position of the union bargainers.

The U.S.W.'s original demands, which had been estimated unofficially at 70 to 80¢ an hr. for the package, including a 40¢ an hr. pay boost, were reported to have been scaled down to the 15 to 20¢ category.

Communist 'Salesmen' Huckster Red Goods To U.S. Businessmen

(Continued from page 1) closely the apparently eager Soviet traders are willing to discuss price and delivery. The heads of 10 of the largest Communist trading organizations are on hand to drum up business while the Soviet's First Deputy Premier Frol R. Kozlov hobnobs in Washington and elsewhere on the various phases of his top-drawer diplomatic-business mission in connection with the New York show and U.S.-Russian relations in general.

Nothing Definite

But efforts to draw out the Soviets on some of the brass tacks of buying and selling deals met with little success. V. I. Bokin, chief economist for the Soviet Amtorg Trading Corp. told PURCHASING WEEK: "Most American firms we deal with don't want it known what they have paid for Russian raw materials or finished products."

Bokin said he was in sympathy with that point of view. "American businessmen feel that a price quote will put them at a disadvantage in the resale market," he said.

Limited Experience

Actually, Bokin had only a limited number of deals from which to frame his opinion. In 1958 the U.S. purchases amounted to only about \$17 million and Russia bought only about \$3.5 million in goods and equipment from this country. But that wasn't for lack of trying.

Kozlov told various American business leaders with whom he lunched in New York last week Russia is anxious to buy large quantities of U.S. chemical and major electrical equipment—items which American government export bans to Iron Curtain countries have kept on restricted lists. And in Washington, official opinion was that Kozlov probably would be no more successful than Mikoyan, another Soviet diplomat-businessman, on a similar mission here last year.

Long List

Bokin, the Amtorg official on duty at the exhibit listed a wide variety of Soviet products for sale: raw materials, plus scientific, laboratory, welding, mining, and medical equipment. But trading has to be a two-way street, he cautioned.

The gigantic exhibition contains scores of industrial products among its Sputniks and cultural displays which Soviet trade experts said were available to capitalist businessmen. They included machine tools and other metal-working equipment, devices, computers and other electronic farm equipment, autos, and oil-field equipment—including one unique drilling rig that bores two holes simultaneously while requiring the services of only one crew and one set of tools, thus saving fuel, power, and manpower costs. Where price tags were visible they were in terms of Russian domestic prices.

Presumably export prices will be discussed privately when firm business inquiries are made. And it appeared definite inquiries would be made.

Pallet Makers Seeking Markets Map Out 4-Point Plan at Meeting

(Continued from page 1) The three-day industry meeting also reviewed plans to:

• Develop wider markets for pallet containers as well as flat pallets.

• Persuade truckers to follow the lead of railroads in providing for free shipment of unitized pallets on carload lots.

• Encourage adoption of regional pallet pools as a first step toward establishment of a national pool. It was felt by some association members that once this is accomplished, leasing arrangements might logically follow.

The competitive threat of disposable and metal pallets was treated only lightly.

In the interest of easing the purchasing agent's pallet-buying chores, the pallet makers detailed the following four point program:

1. Establishment of a system of vertical quality grades—three in soft wood and four in hard

See Steel Scrap Buying Increased

Washington—Steel scrap purchases by the steel industry are expected to increase in the near future, according to industry testimony before a Senate subcommittee. Purchasing officials of U.S. Steel, Bethlehem, Republic, Granite City, and Jones & Laughlin steel companies testified they probably would purchase more scrap in the months ahead than in the past 18 months.

But the industry officials refused to man to predict longer range scrap purchasing trends, contending this will depend on technological improvement in the steel and scrap industries.

The hearing was conducted by the Senate Small Business Monopoly Subcommittee. Spurred by complaints of small scrap dealers, it was a one deal affair which rehashed the Federal Trade Commission's case involving charges of unfair business practices against Luria Bros., Inc., the nation's largest ferrous scrap dealer and producer. Luria has had trouble at the F.T.C. since 1954 when competitors first accused the New York firm of throwing a hammerlock on big steel mill markets through exclusive dealing contracts.

An initial hearing examiner's finding is expected this summer. Luria's attorney defended the firm on grounds of its aggressive but ethical marketing practices and efficiency.

Except for the comment on near term scrap purchases, the hearings almost ignored the larger question of how steel mills have been decreasing their reliance on scrap purchased from dealers and brokers and are turning instead more to primary iron ore resources.

Ryder Truck Expands

Miami, Fla.—Ryder Truck Rental, Inc. has expanded to the West Coast with the purchase of Barrett Garage, Inc., a San Francisco truck leasing firm.

wood pallets. With the exception of expendable pallets which will not be graded under the new system, pallets have been graded largely by moisture content and fastening features, but the new grades will be more definite and comprehensive.

2. Publication of an inspection procedure handbook to enable a pallet buyer to determine the quality of the product he is purchasing.

3. A free specification analysis service for purchasers designing their own pallets. The association will maintain a special staff to supply technical opinion and comment on any pallet need.

4. A pre-award survey check list—to enable a purchaser better to inspect a manufacturer's pallet for determination of his qualifications.

The pallet manufacturers said they were happy with the results of their drive for free rail shipment of unitized pallets on carload lots under which a shipper does not pay for the weight of pallets. The association hopes to persuade motor carriers to adopt the same idea on a national basis.

Successful in West Europe

In making adoption of regional pallet pools a goal of its promotion program, the pallet makers association noted that an international pallet pool has operated successfully in Western Europe. Under a pallet pool arrangement the shipping devices are treated as if they were held in common and are followed only on paper, thus minimizing the expense of shipping stacks of empty pallets back to an owner.

Manufacturers also were impressed with the growing acceptance of pallet containers.

"The day will come," one company official told PURCHASING WEEK, "when practically all goods will travel in reusable pallet containers instead of smaller boxes." The industry sees this development as a logical outcrop of the general swing to containerized shipments.

Disposable Pallets No Threat

The association appeared to shrug off—at least in public comments—the threat of disposable and other wooden pallet substitutes. William H. Sardo, Jr., executive vice president of the association, said the metal pallet is no longer regarded as a problem on the basis of European experience in the international pool.

"They bought metal ones," Sardo said, "but they found out that metal pallets dent and warp and become thoroughly unusable. A wooden pallet simply breaks, and you repair it so it is as good as new."

Industry spokesmen voiced the belief that as the pallet pool idea catches on in the United States, it will mean the end of the expendable pallet. They said pallets now can be made heavier and sturdier because of the rail rate preference. Additionally, they pointed out, much research is being done on standardization of the more than 200 pallet sizes and shapes now in use.



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